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97TH CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 97-799

VETERANS' EMPLOYMENT AND EDUCATION ASSISTANCE ACT OF 1982

SEPTEMBER 9, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 6794]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 6794) to amend title 38, United States Code, to improve job training and job placement programs and educational assistance programs for veterans, having considered the same, report favorably thereon by unanimous voice vote with amendments and recommend that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 8, line 13, strike out "Regional and".

Page 13, strike out lines 19 through 25.

Page 14, line 1, strike out "(f)" and insert in lieu thereof "(e)".

Page 14, line 4, strike out "(g)" and insert in lieu thereof "(f)".

Page 14, line 10, strike out "(h)" and insert in lieu thereof "(g)".

Page 15, line 16, strike out "(i)" and insert in lieu thereof "(h)".

Page 21, line 20, strike out "REELATING" and inserting in lieu thereof "RELATING".

Page 23, strike out lines 17 through 21 and insert in lieu thereof the following:

(c) Section 1780(a)(6) is amended by striking out "prison or jail" and inserting in lieu thereof "penal institution for conviction of a felony".

Page 26, strike out lines 7 through 15.

Page 26, line 19, strike out "SEC. 211." and insert in lieu thereof "SEC. 210.".

Page 26, line 23, strike out "SEC. 212." and insert in lieu thereof "SEC. 211.".

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Introduction

During the 97th Congress, the Subcommittee on Education, Training and Employment, chaired by the Honorable Bob Edgar, conducted seven hearings in Washington, D.C., regarding employment programs for veterans. The hearings were held on March 31, April 2, October 14, and November 10, 1981, and February 2, May 4, and June 22, 1982, and the Honorary Don Edwards, ranking majority member of the Committee, also conducted a field hearing in San Jose, California, on October 9, 1981.

The Subcommittee sought to ascertain employment needs of veterans and to evaluate the necessity for legislative initiatives to enhance, strengthen and expand existing programs. Extensive testimony addressing these concerns was received from Members of Congress, the Veterans' Administration, Department of Labor, Office of Personnel Management, U.S. Postal Service, Interstate Conference of State Employment Security Agencies, State government officials and veterans organizations. In response to the hearings held up to that time, Mr. Edgar introduced H.R. 6440, the Veterans' Employment Assistance Act of 1982 on May 20, 1982.

An additional hearing was held by the Subcommittee on June 17, 1982 in order to review education, training and employment programs for veterans administered exclusively by the Veterans' Administration. Witnesses included Members of Congress, the Veterans' Administration, veterans service organizations and representatives of the educational community.

As a result of these hearings the Subcommittee met on July 15 and recommended a clean bill to the full Committee by unanimous voice vote, which included the provisions of H.R. 6440. H.R. 6794, the Veterans' Employment and Education Assistance Act of 1982, was thus introduced on July 20, 1982.

The full Committee met on July 22 and, by unanimous voice vote, ordered H.R. 6794 reported to the House.

Background

The history of the Veterans' Employment Service (VES) closely parallels that of our public employment system in the United States. The establishment of our National Employment Service officially occurred with the enactment of the Wagner-Peyser Act of 1937, which included provisions establishing a veterans' employment service.

At the end of World War I existing Federal employment agencies had the enormous task of finding work for the returning servicemen. As a result, numerous employment bureaus for veterans were established to expedite job placement for returning servicemen.

In 1933, a time of economic standstill and massive unemployment, President Franklin Roosevelt signed into law the Wagner-Peyser Act, Public Law 73–30. The act created in the Department of Labor the United States Employment Service, a national system of public employment offices. Maintenance of a Veterans' Service was a part of that service.

Following the end of World War II, the Nation was again faced with major unemployment problems. A major provision of Public Law

78–346, the Servicemen's Readjustment Act (popularly known as the GI Bill of Rights), approved on June 22, 1944, established a job counseling and employment placement service for veterans in the U.S. Employment Service. This provision expanded the responsibilities of the Veterans' Employment Service. During the 5 years from September 1944 to August 1949, nearly 10 million veterans were served in local public employment offices.

On July 16, 1952, the Congress enacted Public Law 82–550, known as the Veterans' Readjustment and Assistance Act of 1952. This act extended the same benefits to Korean veterans as were afforded World War II veterans. Title VI of the act granted Korean veterans, who had served between June 26, 1950, and February 1, 1955, preference in job counseling and placement.

Public Law 89–358, the Veterans' Readjustment Assistance Act of 1966, enacted on March 3, 1966, extended to veterans who served after January 31, 1955, VA educational assistance and job counseling and job placement in the Department of Labor.

The decade of the 1970's saw an increase in legislation to provide employment assistance to disabled and Vietnam era veterans. The 92nd Congress, on October 24, 1972, enacted the Vietnam Era Veterans' Readjustment Assistance Act (Public Law 92–540) to aid veterans of the Vietnam era (August 5, 1964, to May 7, 1975). The act extended priority for employment counseling, job training, and placement services to Vietnam-era veterans, and also added positions to the VES field staff. Many amendments have been made since its enactment in 1972. The Vietnam Era Veterans' Readjustment Assistance Act of 1974, Public Law 93–508, extended veterans' employment services to spouses and widows of totally disabled veterans, prisoners of war, and servicemen missing in action; it also required the Secretary of Labor to implement stringent administrative controls to ensure the delivery of preferential services to veterans.

Also passed that same month was Public Law 93–567, the Emergency Jobs and Unemployment Assistance Act of 1974 which expanded the functional responsibilities of the Veterans' Employment Service. Section 104(b) of the act required that the Department of Labor, in cooperation with the Department of Health, Education and Welfare and the Veterans' Administration, implement an outreach and public information program designed to inform and involve all eligible veterans in employment, job training, and educational opportunities funded under the Comprehensive Employment and Training Act (CETA).

Other legislation which significantly affected the basis and organization of the VES is the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94–502). Title VI of that act established the position of the Deputy Assistant Secretary for Veterans' Employment (DASVE), to be the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to the extent that they affect veterans. In conjunction with the creation of the position of DASVE, the Veterans' Employment Service (VES) was made an autonomous program in the Employment and Training Administration.

Public Law 96–466, the Veterans' Rehabilitation and Education Amendments of 1980, elevated the position of DASVE to the level of

Assistant Secretary for Veterans' Employment (ASVE). In so doing, the Congress expected that the ability of the VES to effectively deal with problems relating to veterans' employment would be dramatically improved. As "the principal advisor" to the Secretary of Labor regarding veterans' affairs, the ASVE would be at the same level and have the attention and importance within the Department of Labor of other Assistant Secretaries.

The Veterans Employment Service (VES), under the direction of the Assistant Secretary for Veterans Employment, is responsible for assuring that the legal mandate and the policies of the Secretary of Labor and the USES are carried out by the local public employment service offices. VES has a field staff of regional and State directors for veterans employment, and their assistants, who are responsible for providing functional supervision to State employment services helping to assure that legal and policy requirements for veteran's services are maintained effectively. In addition, State employment services have local veteran's employment representatives who provide functional supervision to local employment service/job service offices. The USES and State employment services have cooperative agreements with the Veterans' Administration for providing services to veterans.

Public Law 96–466 also expanded the Disabled Veterans' Outreach Program (DVOP) and made it a permanent program. In addition, the Act requires the Department of Labor to provide direct secretarial support to State Directors of Employment.

In 1981, the unemployment rate nationwide began to rise and by the end of that year, the unemployment level for Vietnam-era veterans surpassed that of their non-veteran peers. Vietnam-era veterans between the ages of 25 and 29 were unemployed at a rate of 16.9 percent in May 1982, while the unemployment rate for nonveterans in the same age group was 9.3 percent. Grave concern for the 685,000 unemployed Vietnam-era veterans, one of the hardest hit segments of the labor force during this period of high unemployment, prompted the Committee to closely evaluate existing employment programs for veterans to be certain that the Veterans' Employment Service was functioning as intended by Congress.

The extensive hearings of the Subcommittee on Education, Training and Employment revealed that recent program and budget cuts for employment programs in the Department of Labor and its Veterans' Employment Service, coupled with ambiguity in the law, continued to plague the delivery of veterans employment services. At a time of seriously high veteran unemployment and underemployment, this was of great concern to the Subcommittee.

It was pointed out by a witness before the Subcommittee that for the period of April 1, 1980 through February 31, 1981, 52,512 veterans were seen at Veterans' Administration Outreach Centers, and of that number, between 33 and 46 percent of those veterans had employment-related problems—the greatest of 17 identifiable problems. The Subcommittee determined that legislation was necessary to correct this situation by calling for the full implementation of the spirit and letter of Chapters 41 and 42 of title 38. United States Code, which sets forth the job counseling, training and placement services for all veterans and a number of special programs for the employment and training of disabled and Vietnam-era veterans.

The Committee recognized, in developing this legislation, that it is imperative to build on the experience and expertise developed in this program over the years, and that conditions indicate the desirability of strengthening and expanding existing programs with innovative changes and additions to the existing structure and service.

The provisions in Titles II and III of the reported bill include recommendations made by the Veterans' Administration, and other adjustments in veterans education programs. On February 22, 1982, the Administrator of Veterans' Affairs, in a letter to the Speaker (included in agency views set out later in this report), submitted a proposed draft bill entitled the "Veterans Rehabilitation and Education Adjustment Act of 1982." At the Administration's request the proposed legislation was introduced as H.R. 5673. On June 17, the Subcommittee held a hearing on the bill.

Several provisions of the bill were rejected by the Subcommittee. However, the recommendation by the VA to terminate the Veterans' Representative on Campus Program and the 50 percent Employment Rule originally enacted in Public Law 93–508 were approved. The Subcommittee submitted a proposal relating to the administration of education and training programs by the Veterans' Administration. These provisions are explained in further detail in the section-by-section analysis.

Summary of the Bill

TITLE I—EMPLOYMENT ASSISTANCE

Extends eligibility for the Federal Contractor Job Listing program to veterans with 10 and 20 percent disabilities.

Makes the Veterans' Reemployment Rights program administratively and functionally responsible to the Assistant Secretary for Veterans' Employment.

Allows appointment of any eligible veteran to Veterans Employment Service director or assistant positions if no qualified veteran who has been a bona fide resident of the state for at least 2 years is available.

Veterans Employment Service is given functional responsibility for the supervision of the participation of veterans in Federal employment and training programs and of job listings, referrals, and complaints under the Federal Contractor Job Listing program.

Requires funds for the Disabled Veterans Outreach Program to be appropriated from general revenues.

Allows the Assistant Secretary for Veterans' Employment to grant a waiver to the three-fourths limitation on the number of Disabled Veterans Outreach Program staff to be stationed at Job Service offices.

Establishes a veterans national employment assistance program requiring job counseling, training, and placement services administered by the Assistant Secretary for Veterans' Employment through grants to State agencies, agencies of political subdivisions, and private, nonprofit organizations.

Establishes a Secretary of Labor Advisory Committee on Veterans' Affairs.

Requires Federal contractors to report quarterly on veteran hiring activity.

Repeals the Exemplary Rehabilitation Certificate program.

TITLE II—EDUCATION ASSISTANCE

Repeals the Veterans' Representatives (Vet Rep) program.

Repeals the current GI Bill requirement that vocational schools report on the numbers of their graduates who, during a specified 2-year period, have obtained employment in the field for which the school has provided training (the 50 percent employment requirement).

Provides that schools in which service personnel pursuing high school completion or GED (general equivalency ceritficates) courses without charge to their entitlement must comply with the 85–15 veteran-dependent enrollment provisions.

Modifies the basis for paying subsistence allowances to incarcerated veterans pursuing programs of vocational rehabilitation and for paying educational assistance allowances to incarcerated veterans and dependents pursuing programs of education.

Permits certain veterans, who are pursuing non-degree vocational programs at institutions which also provide diploma or degree programs, a 10-minute period of time at the end of a laboratory or shop course to go to the next class.

Allows the Administrator, under certain conditions, to discontinue the enrollment of all eligible veterans and eligible persons in certain courses where there are widespread serious statutory violations of law on the part of the educational institution.

Provides that the enrollment period in the Veteran's Educational Assistance Program (VEAP) will end on March 30, 1983 unless the President recommends by January 15, 1983 that it be extended, and the Congress fails to disapprove the President's recommendation within 60 days.

Makes technical changes to Title 38, United States Code, requested by the Veterans' Administration.

TITLE III—MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Reduces from the current 2 years to 180 days, the period of time within which an individual may request a waiver of recovery of an overpayment made to such individual.

DISCUSSION

TITLE I

Congressional findings

Section 101 of the bill emphasizes three major issues. The first defines the problems being addressed—seriously high veteran unemployment and underemployment. The second states and, for the first time incorporates into law, the declaration of the Congress that veterans' employment problems are a national responsibility. The third outlines a more effective structure for Federal veteran employment assistance programs. Title I responds to each of the Congressional findings.

Elimination of "Special disabled veterans" category

The intent of the Committee in including this provision is to make consistent the definition of "disabled veteran" for eligibility under the Federal Contractor Job Listing Program. Veterans' preference in

Federal employment is based on compensable disability. The Veterans' Administration program of vocational rehabilitation is available to veterans rated 10 percent or more disabled. It seems logical to the Committee that service-connected disabled veterans eligible for vocational rehabilitation and veterans' preference should also be entitled to affirmative action eligibility under Federal contracts.

Office of Veterans' Reemployment Rights

The Committee believes that the Office of Veterans' Reemployment Rights (OVRR) should be transferred from the Office of the Assistant Secretary of Labor for Labor-Management Relations (LMSA) to the Office of the Assistant Secretary of Labor for Veterans' Employment (ASVE). It is the intention of the Committee that the present OVRR, with full national and field staff, be removed from LMSA and placed under the jurisdiction of the ASVE. The position of ASVE was established with the intent of bringing together in a uniform, effective organization all employment and reemployment programs in the Department of Labor relating to veterans. As stated by a witness before the Subcommittee, the transfer will result in "a greater responsiveness to returning veterans and reservists whose reemployment rights have been infringed."

Clerical support

Section 2003 of title 38 provides that the Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service and shall assign full-time clerical support to each such representative.

Confusion has surrounded the issue of secretarial support for State Directors for Veterans' Employment since 1979 when the Department of Labor proposed to eliminate all 52 of the secretarial positions in the offices of the State Directors and have each State employment security agency provide secretarial and clerical assistance to the State Director for Veterans' Employment. Section 105 of the Committee bill is intended to eliminate confusion regarding these clerical positions by directing that the Secretary of Labor shall provide full-time secretarial assistance to each State Director for Veterans' Employment and these positions shall be Federal positions.

Qualifications for State directors for veterans' employment

Current law requires that each State Director for Veterans' Employment and Assistant Director for Veterans' Employment must be an eligible veteran who, at the time of the appointment, has been a bona fide resident of the State for at least 2 years. The Committee believes that the intent of the residency requirement is valid and a familiarity with veterans' programs, organizations and employers in a State is crucial to the success of a State Director or Assistant Director. There may be occasions, however, when there would be no qualified veteran who has been a resident for 2 or more years.

The Committee bill, therefore, would provide that the Assistant Secretary of Labor may appoint any qualified eligible veteran as State Director or Assistant State Director if the Assistant Secretary of Labor for Veterans' Employment determines, based on criteria and regulations published in the Federal Register, that no qualified veteran who meets the residency requirement is available at the time of the

appointment. This provision would allow the Assistant Secretary of Labor for Veterans' Employment managerial flexibility, and would provide an opportunity for all qualified applicants to be considered.

Disabled veterans' outreach program

The Disabled Veterans' Outreach Program (DVOP) was established in 1977 by the Department of Labor as part of President Carter's economic stimulus package. Staffed primarily by service-connected disabled veterans, the primary purpose of the DVOP program is to identify disabled veterans in need of employment assistance and help them obtain employment services, including counseling, job development and placement.

This program has been one of the most successful initiatives developed to address the problem of unemployed veterans, as evidenced by the decision of the Congress to make this program permanent in Public Law 96–466. In confirmation hearings before the Senate, the Assistant Secretary of Labor for Veterans' Employment, Hon. William Plowden, stated: "The Disabled Veterans Outreach Program (DVOP) is considered to be a highly effective program for helping disabled veterans find jobs and training opportunities. It is the most successful veteran employment program administered by the Department of Labor in many years. DVOP staff have helped in placing over 153,000 disabled veterans in jobs from its start in 1977, through the first three quarters of fiscal year 1981. Another plus has been the development of employer contacts and working relationships with community and veterans' organizations which are so essential in veteran programs."

The program has, however, been beset by funding problems which have adversely affected the DVOP program as well as the State employment security agencies. Section 106 of the reported bill is designed to clarify funding levels for DVOP by providing that this program would be financed by general revenues rather than employer taxes which are collected under provisions of the Federal Unemployment Tax Act (FUTA). The Committee is keenly aware that reductions in the Employment Service staffing and the mandated absorption of DVOP costs in the Employment Service budget have had a detrimental impact upon program performance. The Committee further recognizes that an adequately staffed Employment Service is essential in providing the support systems which are necessary for administering programs such as DVOP, as well as basic labor exchange activities. In view of this, the Committee wishes to stress that this change in DVOP funding is in no way intended to reduce Employment Service staff years. DVOP funds should be separate from, and in addition to, funds for the Employment Service. It should be recognized that the DVOP program was designed to augment State employment security agencies' resources to provide special services to disabled and Vietnam-era veterans. The Committee intends that the funds for the DVOP program be separately and clearly identified from funding for regular services to veterans required under the Wagner-Peyser Act and other sections of this chapter. The Committee further intends that this separate identification not result in a corresponding reduction in funding for those regular services. Testimony received by the Subcommittee on Education, Training and Employment was unanimously supportive of this approach for DVOP funding.

The Committee bill further directs that the Assistant Secretary of Labor for Veterans' Employment (ASVE) shall carry out the responsibilities for the DVOP program and shall monitor the employment of DVOP specialists to ensure compliance with the required appointment priorities. The Committee intends that the DVOP specialists provide support service to disabled and Vietnam-era veterans through the Employment Service. They are not to be considered as additional manpower sources by which State employment service agencies could divert mainline veterans service employees to non-veteran duties. It is expected that the ASVE will pay particular attention to this.

The ASVE is also granted greater flexibility in the outstationing of DVOP personnel. Under current law, no more than three-fourths of the DVOP program specialists in each State shall be stationed at local employment service offices in the State. H.R. 6794 will allow waivers to be granted to the present DVOP outstationing. In testimony before the Subcommittee, a representative of the Interstate Conference of Employment Security Agencies, Inc. stated: "A number of State Employment Service directors have reported to us that the language in the current law has prevented them from effectively utilizing staff. In many instances, productivity could be increased by assigning more than three-fourths of the specialists in Employment Service local offices; however, it should also be noted that for some States greater outstationing has proven more beneficial. The waiver provision contained in the draft bill recognizes the differences between the States with regard to population centers, economy, number of appropriate VA facilities, etc., and will, therefore, provide the States with the needed flexibility to assign staff and more effectively serve the eligible veterans."

The Committee concurs with this assessment but urges the ASVE to carefully consult with the appropriate State directors and other appropriate personnel, such as the Director of the Veterans' Employment Service, the Regional Director for Veterans' Employment, and the Administrator of Veterans' Affairs who administers the Vet Centers where DVOP's may be stationed or visit on a periodic basis. It is not intended by the Committee that this waiver authority be used to indiscriminately relocate DVOP personnel unless it can be clearly demonstrated that services to veterans in a particular area will be improved by such action. The ASVE should not grant a national waiver under this provision. Waivers should be granted on a State-by-State basis after full consultation with appropriate officials, including the Administrator of Veterans' Affairs regarding the actual needs of Veterans' Administration programs authorized under section 612A (Vet Centers) and section 244 of title 38 which relates to cooperation with other agencies by the Veterans' Administration.

Estimation of funds for administrative and reporting requirements

Representatives of veterans organizations, Members of Congress and others have had difficulty identifying funds requested for the Veterans' Employment Service and other programs administered under provisions of title 38. Section 107 of the Committee bill would clarify this situation first by amending Section 2006 of title 38 by requiring the Secretary of Labor to estimate funds for Chapters 42 and 43 in addition to funds for Chapter 41.

This section also would require that amounts necessary to fund DVOP be a separate line item and that there be a separate listing of the proposed number and specific locations for DVOP specialists included in each budget submission. This provision will enable all to more accurately monitor the DVOP program and assure that adequate funds and personnel are being allocated to the program.

A report prepared for the Department of Labor in 1979 entitled "Management Review of the Employment Service Services to Veterans" recommended that a national reporting system be developed for DVOP staff. The Committee agrees that a reporting system is necessary. Although the DVOP program has made a major contribution to serving veterans, quantitative evidence is currently unavailable. The report on activities carried out under section 2003A of title 38, United State Code, required by Section 108 of the reported bill, will allow for veterans placement activity unique to DVOP staff to be monitored uniformly on a national basis.

National employment assistance program

The Congress recognizes that many veterans, particularly disabled veterans and veterans of the Vietnam era, have experienced difficulty in securing meaningful employment. These difficulties have been exacerbated by the current economic conditions and high rates of unemployment. Unemployment is a national problem which affects all members of the population, but Vietnam-era veterans are among those hardest hit by the current recession.

According to statistics published by the Bureau of Labor Statistics, over 685,000 veterans of the Vietnam era, individuals who served their country during the longest and most controversial conflict since the Civil War, were looking for work in May 1982. "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers", a report prepared for the Veterans' Administration by the Center for Policy Research and released in March 1981, concluded that: "When background differences between veterans and nonveterans are statistically controlled veterans still show some residual disadvantage in educational and occupation attainment, especially in the case of Vietnam veterans. This leads us to conclude that military service in Vietnam had a negative effect upon post-military achievement."

As stated in Section 101 of the reported bill, alleviating unemployment and underemployment among veterans is a national responsibility. After evaluating current employment services available to veterans, the Committee concluded that the existing programs should be strengthened and expanded and that innovative changes and additions to the current structure should also be enacted.

In that regard, the Committee has included in the employment initiatives a national employment assistance program for veterans. Under this program, grants would be made to State and local agencies and nonprofit organizations, with eligibility for such a grant based on the applicant's experience with employment and job training problems of veterans, familiarity with the community where the services are to be provided, and the capability of the applicant to effectively administer a program.

Activities under this grant program may include: On-the-job training when not available through the Veterans' Administration or Department of Labor programs; employment development in coordina-

tion with VA programs of readjustment counseling (VA Readjustment Counseling Centers have reported that employment ranks high among the problems still facing Vietnam veterans); job placement programs in coordination and cooperation with the DVOP program; and demonstration programs in cooperation with the Department of Defense and the Veterans' Administration to provide members of the Armed Forces with pre-separation civilian job counseling and job search assistance for members who decline to re-enlist.

A major concern raised regarding this grant program is that it would duplicate veteran activities within the Employment Service system (ES) and, in effect, be in competition with the system. The Committee firmly believes that this should not be the case and that the grant program provides an additional means by which unemployed and underemployed may be assisted. This program will also correct the inadequate services provided to veterans in the CETA programs. The experience of veterans in CETA programs indicates that local programs regard veterans as a Federal rather than a local responsibility. Under CETA not only was the participation of veterans very low, but where funds were expended to train veterans, it was often for programs inappropriate to veterans' job needs. Thus, the Committee intends that the Assistant Secretary of Labor for Veterans' Employment should administer a separate, appropriate employment training program for veterans. To reiterate, it is the Committee's intention that this program complement, not supplant, programs already funded by the Department, such as the job service and other employment and training programs. It is further the intent of the Committee that funding for this program should not be used to supplant funding for any other employment activities authorized under Chapters 41 or 42 of title 38, United States Code.

Section 109 of the reported bill sets forth programs which would be coordinated by the Department of Labor with other agencies. The Committee intends that the national employment assistance programs for veterans will not duplicate the functions of the State employment security agencies. To this end, the reported bill directs that job placement grants made under this section shall be designed in coordination and cooperation with the Employment Service for that State.

Secretary of Labor's Advisory Committee on Veterans' Affairs

For many years the Department of Labor has had an internal Secretary's Committee on Veterans Affairs. The members of this Committee have been the Secretary's executive staff, with representatives of national veterans organizations invited to participate in Committee meetings. This has been a productive and satisfying relationship by which the Secretary of Labor has been kept informed of the needs and concerns of veterans in the employment areas.

Section 110(a) of the reported bill would provide for an expanded version of the present Committee. This provision recognizes that such a committee has served a useful function by facilitating the flow of information between officials in the Department of Labor and those individuals in other governmental agencies and the community who have an interest and expertise in the area of veterans employment. In establishing the Secretary's Advisory Committee on Veterans' Affairs in law, the Committee believes that a continuity will be estab-

lished and further reinforced by quarterly meetings, thereby allowing for follow-up of issues discussed.

It is the intent of the Committee that the Secretary appoint members who will materially contribute to the Committee's effectiveness. For example, the Committee intends that representatives of veterans organizations appointed to the Committee be limited by the prerequisite that the organization have a viable national employment program for its members with staff in the national office whose primary task is to carry out the policies of that organization regarding veterans employment matters.

Veterans' Employment under Federal contracts

The quarterly report by Federal contractors mandated by Section 112 of the reported bill, in the Committee's opinion, is essential to the enforcement of the Federal contract job list (FCJL) requirements of Section 2012, title 38, United States Code. The Committee intends that Federal contractors will provide the information required in this section of the reported bill by job site. Job site reporting is essential to check contractor compliance because State-wide reports cannot be cross-referenced against information in individual employment service offices.

Veteran's employment in the Federal Government

Section 113(a) of the reported bill would broaden the avenues of complaint for veterans who feel they have been adversely affected by noncompliance with Federal regulation. Those veterans who believe they were denied an opportunity to participate in a competitive civil service examination because a Federal agency failed to comply with section 3327 of title 5 may file a complaint with the Office of Personnel Management, who will then investigate the complaint.

The Committee does not intend that this provision be a means of harassing either the Office of Personnel Management or any other Federal agency. It is specifically intended to be used by veterans who personally were wronged in their pursuit of employment by a failure of the Office of Personnel Management to provide information to employment offices in accordance with the law.

The reported bill would also expand the reporting requirements in section 2014(d) of title 38. The Committee feels it is important that Federal agencies comply with section 3327 of title 5, United States Code, and that the Office of Personnel Management, as well as the Congress, be able to more readily ascertain which agencies are not in compliance with the law by means of these statistics which will be included in the reports published semiannually by the Office of Personnel Management.

TITLE II

Fifty percent reporting requirement

The education provisions of the reported bill include minor program revisions and technical changes requested by the Veterans' Administration. One of the changes would repeal the requirement that vocational schools report on the number of graduates who, during the preceding 2-year period, have obtained employment in the field for which the school provided training originally enacted by the Congress in Public Law 93–508. The 50 percent employment requirement

prevents abuses in the Veterans' Administration's education program. At the time the 50 percent rule was made a part of the law, there were over 600,000 veterans enrolled in vocational training who were taking several thousand courses at the schools. According to the VA, many of these courses were not providing training that would help the veteran to obtain the employment for which he was trained following completion of the course. The 50 percent rule, therefore, was incorporated into law to provide that vocational schools, to be approved for training veterans, show that at least 50 percent of those who graduated within the preceding two year period had been actually employed in the field for which they were trained. The number of veterans taking vocational courses which come under the 50 percent rule has dropped dramatically to approximately 129,000 in fiscal year 1981.

The Committee has also received complaints from schools who objected to the paper work imposed upon them to determine how many of its graduates have obtained employment in the field for which trained. The Veterans' Administration states that there is considerable "red tape" required by the Veterans' Administration to carry out this provision of the law. The VA further states that the reporting requirement has met its goal and, therefore, the Committee has accepted the recommendation to eliminate this requirement.

Vet-Rep program

A program which has run its course is the so-called Vet-Rep program. The Vet-Rep program was established during a period when Vietnam era veterans were attending schools in record numbers under the G.I. Bill. It is estimated that there will be slightly over 800,000 veterans and their dependents who will be taking education and training programs under the jurisdiction of the Veterans' Administration in fiscal year 1983. This is a far smaller number than in the peak year of 1976 when there were approximately 3 million veterans and their dependents attending education and training institutions throughout the United States. The Vet-Rep program has accomplished its goal. The original number of approximately 1,300 Veterans Representatives on campus is now down to one. Since the program has served its purpose, the Committee has accepted the recommendation to terminate this program, with the understanding that veterans benefit counselors will continue to perform many of the duties previously carried out by the Vet-Reps.

Limitation on payment of benefits to incarcerated veterans

Public Law 96–466 limited the amount of benefits paid to veterans and dependents in those cases where the veteran or dependent is incarcerated in a Federal, state or local penal institution for a conviction of a felony to tuition, fees and the cost of necessary supplies, books and equipment, 38 U.S.C. 1682(g).

If the Veterans' Administration determines that all of the living expenses of a veteran or dependent, residing in a half-way house or participating in a work release program in connection with a felony conviction, are being paid by the Government, the amount of assistance in such cases will be limited to tuition, fees and other educational costs.

The Veterans' Administration states that it has incurred considerable expense in administering the provision relating to incarcerated

viction, are being paid by the Government, the amount of assistance in such cases will be limited to tuition, fees and other educational costs.

The Committee accepts the VA recommendation to eliminate section 1682(g)(2) but reminds the VA that, by definition, a person in a half-way house or participating in a work release program is an incarcerated veteran or individual.

Historically, incarceration has referred to an individual confined in a jail or penitentiary. Today, persons who have been convicted of a felony, may be in prison or jail, or in half-way houses or participating in some program connected with their incarceration. In all cases, a veteran or individual residing in a half-way house or participating in a work release program is an incarcerated veteran as defined in section 1682(g)(1), even though such individuals may not be restrained by the traditional bars and locks. It is the view of the Committee, therefore, that section 1682(g)(1) will apply to veterans or individuals residing in a half-way house or participating in a work release program in connection with the conviction of a felony for which the veteran or dependent is incarcerated.

Additionally, Public Law 96–466 provides that no payment shall be made to any eligible veteran or person incarcerated for the conviction of a felony or a misdemeanor in a Federal, state or local prison or jail for any educational course where the tuition and fees are being paid under any Federal program, other than the VA, or any state or local program, or for which there are no tuition or fees, 38 U.S.C. 1780(a)(6). The Veterans' Administration has advised the Committee that in administering this provision, many problems have arisen due to applying this provision to persons convicted of a misdemeanor, and that the provision is not cost effective. The Committee accepts the VA recommendation to eliminate the provision as it relates to misdemeanors, but the limitation on the amount of the payments will continue for persons incarcerated for conviction of a felony.

TITLE III

Miscellaneous provision

Title III of the reported bill would amend present law to reduce from the current 2 years to 180 days the period of time within which an individual may request a waiver of recovery of an overpayment made to such individual.

SECTION-BY-SECTION ANALYSIS

TITLE I—EMPLOYMENT ASSISTANCE

The first section of the bill provides that the act may be cited as the "Veterans Employment and Education Assistance Act of 1982".

Section 101 outlines the following congressional findings: (1) that there exists serious unemployment and underemployment among veterans; (2) alleviating these problems is a national responsibility; and (3) programs to address those problems can best be administered through a systematic, uniform Federal program.

Section 102 of the bill contains a number of technical amendments to Chapters 41 and 42 that extend eligibility under the Federal Con-

tractor Job Listing program to all disabled veterans entitled to VA compensation by eliminating the "special disabled veteran" category—those rated at 30 percent or more.

Section 103 makes two amendments to Chapter 41, § 2002. The first would require the Assistant Secretary for Veterans' Employment to promulgate and administer "regulations," in addition to policies dealing with veteran job placement and related activities. The second amendment would require that veterans and eligible persons be provided "priority in the provision of employment and training services" in addition to maximum opportunities.

Section 104 of H.R. 6794 would make officials administering the Veterans' Reemployment Rights (VRR) program administratively and functionally responsible to the Assistant Secretary for Veterans' Employment.

Section 105 makes a number of amendments to § 2003, Chapter 41, including renaming the section "State Directors for Veterans' Employment." The amendments would: require the full-time clerical support of the State Directors to be "Federal" and preference for veterans in such appointments; allow appointment to the positions of Veterans Employment Service State Director or Assistant, in any State, of any qualified veteran if the Assistant Secretary determines that no qualified veteran who has been a bona fide resident of the State for at least two years is available at the time of the vacancy in the position; add to the responsibilities of the VES directors and assistants (1) functional responsibility for the supervision of the participation of veterans in Federal employment and training programs; (2) supervision of job listings, referrals and complaints under the Federal Contractor Job Listing program; (3) to cooperate with employers to identify veterans who have completed or are taking training under Chapter 31, Title 38; and (4) upon request, to assist Federal and State agencies and private employers in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the disabled veterans' employability.

Section 106 of the bill contains a number of technical amendments to section 2003A—Disabled Veterans Outreach Program Specialists. The first would require funds appropriated for DVOP to be appropriated from general revenues and requires the Secretary of Labor to carry out his functions for the DVOP through the Assistant Secretary for Veterans' Employment (ASVE). The second amendment allows for the ASVE to grant a waiver to the three-fourths limitation on the number of DVOP staff to be stationed at Job Service offices. The third deletes references to CETA and inserts "appropriate grantees under other Federal and federally funded employment and training programs" and adds a new function for the DVOP specialist of development of outreach programs with various entities to assure maximum assistance to disabled veterans enrolled in a program under Chapter 31 of Title 38. The fourth change adds a new requirement for the ASVE to monitor the employment of DVOP specialists to ensure compliance with the required appointment priorities.

Section 107 amends section 2006 of Chapter 41 by including Chapters 42 and 43 with Chapter 41 for the requirement to estimate the funds necessary for proper and efficient administration of those Chapters. The amendment specifically requires amounts necessary for the DVOP and a separate listing of the proposed number and locations of

DVOP staff. Amendments also require the Secretary to consult with the ASVE to consider a demonstrated lack of need for utilization of such funds for any other purpose.

Section 108 amends § 2007 of Chapter 41 by requiring inclusion of activities carried out under section 2003A (DVOP) in the annual report to Congress.

Section 109 provides for the inclusion of a new section to Chapter 41 entitled "§ 2009. Veterans' employment assistance program". The new Section 2009 provides for the following:

Part (a) requires the Secretary to establish and administer a national employment and training assistance program for veterans through grants to qualified recipients.

Part (b) sets forth general criteria by which the Secretary will determine the suitability of grant applicants and information to be included in an application.

Part (c) requires maximum use of existing programs by requiring the Secretary to encourage grantees under this section to enter into cooperative agreements with entities dealing directly or indirectly with employment and training matters. The Secretary, in consultation with the VA Administrator, is to ensure maximum effectiveness and efficiency in providing services under this section by coordinating with other programs administered under title 38.

Part (d) requires coordination in the development of OJT, employability development, and job placement programs with VA programs for OJT readjustment counseling and veterans assistance offices, and DOL's DVOP. This part also authorizes grants for demonstration programs in cooperation with DOD and VA to provide preseparation counseling and job search assistance.

Part (e) requires the Secretary to approve or disapprove any grant application within 90 days after receipt.

Part (f) authorizes the Secretary to provide directly or through grant, contract, or cooperative agreement, such technical assistance, research and development projects as are necessary to establish and carry out the program of this section.

Part (g) requires that regulations be issued establishing proper fiscal controls, accountability, and annual program reporting requirements to be submitted by the grantee to the Assistant Secretary.

Part (h) requires an annual report to the Committees on Veterans' Affairs of the House and Senate detailing the program established, effectiveness, efficiency and recommendations for legislative action.

Section 110 provides for establishment of a Secretary of Labor's Committee on Veterans' Affairs. Part (a) of the new section 2010 establishes the subject advisory committee; part (b) sets forth the following Committee membership: Chairman, Secretary of Labor; Vice Chairman, ASVE; Representatives of the Secretary of Health and Human Services, the VA Administrator, the Director of the Office of Personnel Management, the Chairman of the Equal Employment Opportunity Commission, the Administrator of the Small Business Administration, and a representative of each of the chartered veterans organizations having a national employment program.

Section 111 of the bill makes two amendments to § 2011 of Chapter 42. The first amends the definition of "disabled veteran" to include "a

person who but for receipt of military retired pay would be eligible to receive compensation". The second would expand the definition of "department or agency" to include the United States Postal Service and Postal Rate Commission. This has the effect of making the USPS and PRC subject to the provisions of Chapter 42, namely the Federal Contractor Job Listing program and employment emphasis programs within the Federal Government.

Section 112 of the bill would require Federal contractors to report at least quarterly on the total number of new hires, separately identifying Vietnam-era veterans, disabled veterans, and other eligible veterans.

Section 113 amends § 2014 of Chapter 42. The amendment provides for complaints under this subpart to be filed with and investigated by the Office of Personnel Management. Second, this subsection is amended by requiring OPM to report the number of employment openings listed pursuant to section 3327 of Title 5, together with the number of veterans referred and placed in such jobs, and the number of complaints filed under subsection (C)(2) of this section, and the disposition of such complaints.

Section 114 would repeal the Exemplary Rehabilitation Certificate program.

Section 115 makes the amendments of this Act effective October 1, 1982.

TITLE II—EDUCATION ASSISTANCE

Section 201(a) of the bill would add a new subsection (c) to section 242 of title 38. This change would specifically authorize the Administrator to station veterans' benefits counselors at locations away from the VA regional offices.

Subsection (b) would repeal authority presently contained in section 243 which authorizes the Veterans' Representatives (Vet-Rep) program.

The table of sections at the beginning of chapter 3 would be amended to delete the reference to section 243.

Vet-Reps were originally established a number of years ago through administrative action on the part of the VA to assist schools and veterans at a time when there were peak enrollments of veterans attending school under the GI Bill. The administrative action was subsequently formalized in the law in section 243.

At the time the program was established in law, many veterans were experiencing long delays in obtaining their education checks and the Vet-Reps were assigned to establish lines of communications in an effort to correct this as well as other problems. The Vet-Reps were to be present full time on school campuses having large enrollments of eligible veterans and eligible dependents, and were to visit other schools periodically. With the passage of time and the decline in enrollments, the need for these individuals has diminished considerably. At the VA regional offices, veterans' benefits counselors are now effectively performing many of the duties previously accomplished by the Vet-Reps. Thus, the special authority contained in section 243 authorizing this program is no longer required and should be repealed.

Section 202(a) of the measure would amend section 1673(a) to repeal the current GI Bill requirement that vocational schools report

on the numbers of their graduates who, during a specified 2-year period, have obtained employment in the field for which the school has provided training.

Subsection (b) would amend section 1723(a) to repeal the same 50-percent employment requirement, set forth in chapter 35, applicable to the dependents' education program area.

Subsection (c) would provide that the repeal take effect on October 1, 1982.

The 50-percent employment requirement was originally enacted in Public Law 93–508 and was designed to prevent and mitigate abuses of the VA's education programs. At the time this provision was placed in the law, there were over 600,000 veterans enrolled in vocational training who were pursuing several thousand courses in these schools. It was determined that many of these courses were not providing training that would allow the veteran to obtain employment following completion. Therefore, in order to assure that the training these veterans received would lead to jobs, the requirement was placed in the law providing that these schools substantiate that at least 50 percent of those who graduated within a specified 2-year period had actually been employed in the field for which trained. This requirement resulted in the disapproval of several hundred courses which could not meet the mandate of the law.

Since that time, the number of courses which have been disapproved has dropped from the initial 25 percent to approximately 3 percent. In addition, the number of veterans pursuing these courses has also dropped—to approximately 129,000 in fiscal year 1981.

Preparing and filing these employment reports is quite costly and necessitates considerable numbers of man-years of effort on the part of schools, the State approving agencies, and the VA. Over the past few years, the Congress has enacted a number of changes which have had the effect of eliminating a considerable number of schools from the reporting requirement. For example, schools are exempt if they can demonstrate that filing the report would result in an administrative hardship on them or if they can show that the number of veterans and dependents enrolled in their courses is minimal. The VA indicates the reporting requirement has had the desired result of reducing the number of courses which have not met the goal of providing jobs and recommends it now be eliminated.

Section 203(a) of the measure would amend section 1673(d) to insert a cross-reference to section 1691(c), which provides that schools in which service personnel pursuing high school completion or GED (general equivalency certificate) courses without charge to their entitlement must comply with the 85–15 veteran-dependent enrollment provisions set forth in section 1673(d).

Subsection (b) would amend section 1691(c) to change the citation from 1673(d) to 1673(d)(1) to reflect a slight recasting made in this latter section by the bill.

In the enactment of Public Law 96–466, the Congress amended section 1691 to permit service personnel, as well as veterans, who lack a high school diploma or an equivalency certificate, to pursue such training without charge to any entitlement to educational assistance they may have under VEAP (chapter 32) or the GI Bill (chapter 34). Schools providing such training would be required to meet the 85–15

enrollment requirements of section 1673(d). In amending the law, the Congress did not incorporate a cross-reference in this latter section. The Committee believes it would be appropriate to provide the cross-reference for clarification purposes and to assure that this requirement is specifically cited in section 1673(d).

Section 204 of the measure would amend section 1682(e) to correct an oversight which resulted from the enactment of Public Law 96–466. Language was included in that section to require that entitlement for pursuit of a pure independent study program be charged at the half-time rate. This has resulted in an unintended situation where a veteran, who is pursuing this type of study on less than a half-time basis, is charged entitlement at a greater rate than course pursuit. The change made here would merely base the entitlement charge on the actual rate of pursuit.

Subsections (a) and (b) of section 205 of the bill would modify the basis for paying subsistence allowance to incarcerated veterans pursuing programs of vocational rehabilitation under chapter 31 and for paying educational assistance allowances to incarcerated veterans and dependents pursuing programs of education under chapters 34 and 35.

In the enactment of Public Law 96–466, the Congress provided that a veteran, incarcerated in a Federal, State, or local penal institution based upon a felony conviction, would not be paid a subsistence allowance while pursuing a vocational rehabilitation program under chapter 31. The veteran would continue to be paid his or her educational costs.

In the same law, the Congress also provided that a veteran, pursuing a program of education under chapter 34, or a dependent pursuing a program of education under chapter 35, would be limited to his or her educational costs as well.

These limitations were imposed because it was determined that the payment of the educational allowances represented a duplication of benefits, in that the veteran or dependent was already having his or her subsistence provided by the governmental unit in charge of the prison or jail. Moreover, the additional monies received by these individuals were causing problems for prison officials in that the funds often were being used for illicit purposes, such as the purchase of drugs; invited thefts; and resulted in other disciplinary problems for the prison officials.

In the same law, the Congress also provided that where the veteran was in a work-release program or a halfway house, the Administrator would be required to determine whether all of the individual's living expenses were being defrayed by a Federal, State, or local government. If so, the veteran or dependent was barred from receiving the additional subsistence or educational allowance. The VA states this provision has caused administrative problems in having to make these determinations, and has not been cost effective.

The proposal contained in subsections (a) and (b), while retaining the bar to payment of subsistence and limiting the educational assistance allowances to educational costs for incarcerated veterans and dependents, would include individuals in half-way houses or in work-release programs connected with their incarceration. Because of the administrative difficulties and costs regarding the requirements on

verification of living expenses required in section 1682(g)(2) the Committee accepts the recommendation to eliminate section 1682(g)(2).

Subsection (c) would amend section 1780(a) to modify clause (6). This provision was added to the law by Public Law 96–466. This provision bars the payment of educational benefits to those veterans and dependents who are incarcerated in a Federal, State, or local prison or jail, for any course to the extent that the tuition and fees are paid under any Federal (other than VA), State, or local program, or for which there are no tuition or fees. This provision is applied in any case where the veteran is incarcerated—whether based upon a felony or a misdemeanor conviction.

This provision has required the Veterans' Administration to make determinations as to the type of conviction, as well as the amount of payments which are being made by some other government unit. The Veterans' Administration states that applying this section to misdemeanor convictions has created administrative problems. Individuals are released from incarceration for a misdemeanor in a short period of time, and the necessity of making needed adjustments in benefits generally in small amounts, has not been cost effective.

The Committee, therefore, would have Section 1780(a)(6) apply only in those cases where the veteran or dependent is incarcerated for conviction of a felony.

Section 206 would amend section 1788(a) to permit certain veterans, who are pursuing nondegree vocational programs at institutions which also provide diploma or degree programs, a 10-minute period of time at the end of a laboratory or shop course to go to the next class.

Under current law, such an individual must be in attendance in the last hour of the laboratory or shop portion of the class for the full 60-minute period. This can result in the veteran being late to the next class. The proposal would alleviate this situation.

Those veterans pursuing degree-type or nondegree classroom-theory courses are allowed a 50-minute hour plus the 10-minute interval between classes for course measurement purposes. The change being proposed here would allow the nondegree student sufficient time to move to the subsequent class.

Section 207 would amend section 1790(b) to add a new clause (3) which would allow the Administrator, under certain conditions, to discontinue the enrollment of all eligible veterans and eligible persons in certain courses.

Public Law 95–202 added a new clause(2) to section 1790(b) to require that, where the Administrator took action to discontinue (including to suspend) the benefits of any eligible veteran or eligible person in a course, he must find that the veteran or eligible person is not or was not entitled to such assistance. In addition, this new provision also required the Administrator to concurrently provide written notice to any such veteran or eligible person of the action being taken and to advise the veteran or eligible person that he or she was, thereafter, entitled to a statement of the reasons for such action and the opportunity to be heard thereon.

In the view of the Veterans' Administration, this requirement has unduly prolonged erroneous payments to individuals simply because

the initial evidence, although indicating widespread statutory violations, does not implicate every single veteran or eligible dependent enrolled.

The change being recommended here would minimize and prevent overpayments of benefits by allowing the Administrator to discontinue educational assistance en masse where there is evidence that a course fails to meet approval requirements, or where the recordkeeping or reporting practices of the educational institution cannot be relied upon as a basis for continued payment of such allowances. Such discontinuance of benefits would be made only after the school and the State approving agency has been notified of the problem and the school has failed to take corrective action within a reasonable period of time. The veteran or eligible person would be notified that his or her benefits are being affected, the reason for the action being taken, and the right to be heard in the same manner as is required under current law.

The inability of the VA under existing law even to suspend benefits pending investigation of the effect of noted violations has led to many preventable overpayments. This proposal would assist the VA in curtailing such overpayments.

Section 208 of the measure would amend section 1798(e)(3) to delete the requirement that the Administrator report to the Congress annually on the default rate under the VA's education loan program on a school-by-school basis.

The education loan program has, in recent months, been drastically curtailed by law. The compiling of the required school-by-school statistics has proved to be administratively costly. The VA would continue to report to the Congress once a year on the default rate in this program, but on an overall basis, not by individual schools.

Section 209 would amend section 1622 to permit the Veterans' Administration to utilize the educational assistance account, established for the deposit and disbursement of contributory education funds under the Post-Vietnam Era Veterans' Assistance Program (VEAP), for receipt and payment of funds received from the Department of Defense for the new so-called "901" education program.

In the enactment of Public Law 96–342, the Congress authorized a new educational program for individuals enlisting or reenlisting in the armed services between October 1, 1980, and October 1, 1981. This new program is termed the "901" program. It will be funded by the Department of Defense, but administered by the Veterans' Administration.

The VEAP account is an established automated system which lends itself to the modification required to run the new "901" program. Allowing the VA to deposit funds received from the military services for the 901 program into the VEAP account, while keeping the two funds separate, would enable the VA to use the VEAP account for administration of both programs. Without this authority, the VA would be required to establish a completely manual system for the new program, a situation which, on its face, would make it difficult to administer.

Section 210 of the measure would amend section 1622(d) to strike out "$75" and insert "$100."

In the enactment of Public Law 96–466, authority was granted individuals to make lump-sum contributions to the VEAP fund in addi-

tion to, or in lieu of, a regular monthly contribution. The law also provided that these lump-sum contributions would be considered to have been made by monthly contributions from the participant's military pay rate at the rate of $75 per month. In the same law, the maximum amount an individual contributing monthly could make on such basis was raised from $75 to $100.

Thus, when computing the rate of payment under the lump-sum contribution system, the lower rate of $75 was used, rather than the higher rate authorized under the monthly contributory basis. The change made here would merely equate the lump-sum amount with the monthly amount, thereby equalizing the amount of the monthly benefit the individual may be paid under the formula set out in section 1631(a)(2) of title 38.

Section 211 of the measure would amend section 408(a)(1) of the Veterans' Education and Employment Assistance Act of 1976 (38 U.S.C. 1621 note) by striking out "December 31, 1981, and June 1, 1981" and inserting in lieu thereof "March 30, 1983" and "January 15, 1983" respectively.

On May 30, 1981, the President sent a message to Congress regarding the Veterans' Education Assistance Program in which he stated, "Over the next several months the Administration will be continuing its evaluation and review of both the VEAP and Department of Defense test programs, with a view toward developing legislative recommendations regarding education programs for servicemembers and veterans. In view of this effort, I am recommending that the VEAP program be continued beyond its current termination date of December 31, 1981. This will permit the Administration to complete its review and will provide time for submission of legislative recommendations that I anticipate will be submitted in early 1982.

"Recently, the Veterans Administration submitted legislation to the Congress that would authorize a 1-year extension of the Veterans' Educational Assistance Program and make certain other adjustments in Public Law 94–502. I urge the Congress to enact this legislation." Therefore, in accordance with the President's request, the changes in the termination dates for this program would be effected by this section.

TITLE III

Miscellaneous provisions and effective dates

Section 301(a) of the measure would amend section 3102(a) to reduce from the current 2 years to 180 days, the period of time within which an individual may request a waiver of recovery of an overpayment made to such individual.

Subsection (b) would provide that the revision set forth in subsection (a) would apply only to notifications of indebtedness made by the Administrator after the date of the enactment of the bill.

When the 2-year period was orginally enacted into law, the policy, as shown by the legislative history of this provision, was that veterans should be given at least as much time to request a waiver as a Federal employee who had been overpaid. Since that time, however, the VA benefit overpayment problem has become more critical. The Committee believes that allowing the individual 180 days within which to request a waiver is sufficient. This would mean that the time during

which a waiver request could be considered would be a period during which events are fresh, memories relatively unclouded, and witnesses more available. This would also mean the individual would be given a speedier resolution of the matter and the VA would be in a better position to provide needed documents, witnesses, and an explanation while these are close at hand.

Oversight Findings

The Subcommittee on Education, Training and Employment held seven hearings on education, training and employment programs in developing this legislation. On October 9, 1981, a field hearing was held on employment programs in San Jose, California. On October 14, 1981, November 10, 1981, and February 2, 1982, oversight hearings on veterans employment programs administered by the U.S. Postal Service, the Office of Personnel Management, and the Department of Labor were held in Washington.

On May 4, June 17 and June 22, 1982, legislative and oversight hearings were held on veterans employment programs and education and training programs administered by the Veterans Administration at which hearings Veterans Administration, Department of Labor and Department of Defense officials testified.

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

Budget Statement

As required by the Rules of the House of Representatives, the following cost estimate has been received from the Congressional Budget Office on the reported bill:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., July 27, 1982.

Hon. G. V. Montgomery,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman. Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 6794, the Veterans' Employment and Education Assistance Act of 1982, as ordered reported by the House Committee on Veterans' Affairs, July 22, 1982.

Based on this review, it has been determined that only one of the provisions of this bill could be expected to have a significant budgetary impact. That provision, section 211, would terminate new enrollments in the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) after March 30, 1983. The termination could be avoided, however, if the President submits to Congress before January 15, 1983 a written recommendation that the program be continued, and if the Congress fails to disapprove the recommendation within 60 days.

Section 408 of Public Law 94–502 included a similar requirement that the President recommend, subject to Congressional approval, an extension of VEAP. President Reagan transmitted this recommenda-

tion to the Congress on May 30, 1981, and no Congressional disapproval was forthcoming. On March 11, 1982, in testimony before the House Armed Services and Veterans' Affairs Committees, Dr. Lawrence J. Korb, Assistant Secretary of Defense for Manpower Reserve Affairs and Logistics, reiterated the Administration's desire to have the VEAP program continue in operation. CBO therefore assumes, with regard to section 211 of H.R. 6794, that the President would request and the Congress would approve a further continuation of VEAP. Under this assumption section 211 would have no budgetary impact. If, however, the termination were allowed to take effect, the loss of receipts from the contributions of service personnel could increase budget authority and outlays in function 700 by the following amounts:

	Millions
Estimated budget authority:	
Fiscal year:	
1983	$8.1
1984	41.8
1985	84.2
1986	122.0
1987	128.1
Estimated outlays:	
Fiscal year:	
1983	8.1
1984	41.8
1985	84.2
1986	122.0
1987	128.1

Sincerely,

ALICE M. RIVLIN, *Director.*

COST

The budget report from the Congressional Budget Office states that one of the provisions of the reported bill could be expected to have a budgetary impact. This provision, section 211, would terminate new enrollments in the Veterans Educational Assistance Program (VEAP), after March 30, 1983. The budget impact could occur provided Congress rejected a recommendation that the program be continued.

The Committee disagrees that by terminating a program, it will cost the Government money. The Committee does, however, understand that there will be a loss of receipts from contributions of service personnel should VEAP be terminated. Because the matching funds from the Government at the rate of $2 for each $1 contributed by the participant are paid out of contributions from participating service personnel, ending VEAP will create a sharp decrease in the amount of contributions since there will be no new enrollees in the program. Insufficient contributions will require increased budget authority and outlays, it is argued, to match the contributions of service personnel who use their benefits.

However, the Committee's view is that by ending VEAP, the matching funds required by the Government will end and there will be substantial cost savings to the extent that an estimated number of service-personnel will no longer be allowed to participate in VEAP.

Inflationary Impact Statement

The reported bill would have no inflationary impact.

Agency Views

Title I of H.R. 6794 includes a majority of the provisions of H.R. 6440, the Veterans' Educational Assistance Act of 1982. The position of the Department of Labor was presented to the Subcommittee on H.R. 6440 at a hearing conducted by the Subcommittee on Education, Training and Employment on June 22, 1982. No agency report has been received by the Committee on either H.R. 6440 or H.R. 6794.

In the absence of an official report from the Administration, there follows that portion of the statement of Hon. William C. Plowden, Jr., Assistant Secretary of Labor for Veterans Employment, on the provisions of title I of the bill.

> Thank you for providing us this opportunity to present our views on H.R. 6440, a bill "To amend title 38, United States Code, to improve job training and job placement programs for veterans," and to describe for you the Department of Labor's authority for veterans' employment and training programs. Let me assure you at the outset that as Assistant Secretary of Labor for Veterans' Employment that my basic concern is with the effective delivery of employment and training services for veterans, particularly veterans of the Vietnam war and the disabled veteran who have had difficulty in entering the job market . . .
>
> Turning to the provisions of H.R. 6440 it appears that a basic purpose of the bill set forth in section 10 is to establish a veterans national employment assistance program requiring job counseling, training, and placement services. The program would be administered by the ASVE through grants to qualified recipients which may include State agencies, agencies of political subdivisions of any State, and private, nonprofit organizations. Authorizations for related research, demonstration programs and technical assistance is also authorized.
>
> Mr. Chairman, we are in accord with the intent and purpose of the provision, but we believe that existing law provides generally for the same breadth of program authority; therefore, we believe that it is unnecessary.
>
> It is our understanding that one of the purposes of this proposed program is to continue providing and to increase specialized services to targeted groups of veterans with severe employment needs. We all are aware that the Administration and Congress are vigorously working on a bill to succeed the Comprehensive Employment and Training Act. The Administration's original proposal contained provisions that authorize the Secretary of Labor to financially assist job training programs for veterans with emphasis on meeting the training needs of disabled, Vietnam era, and recently

separated veterans. We think it is crucial for veterans to be a part of the major national employment and training bill. Mr. Chairman, we offer any assistance possible toward this end.

Another change of the bill in Section 6 would have the effect of waiving the 2-year state residency requirement for appointment to Veteran Employment Service State Director or Assistant for those having served as a VES State or Assistant Director for at least two years in any state.

I do not favor this provision. I believe the residency requirement is a legitimate occupational qualification for several reasons. Individuals that have been actively involved in veterans affairs in their state possess a valuable experience that allows them to immediately assume the full range of duties required of the job. It is most important that the individual be very familiar with state economic conditions and the dynamics of the state's political and governmental processes that impact on veterans programs. This experience and knowledge is critical for gaining an understanding and an awareness of the unique employment and training needs of the state's veterans community.

The bill contains in section 7, amendments concerning the Disabled Veterans Outreach Program. I fully endorse the provision allowing a waiver to the maximum number of DVOP staff that can be stationed at Job Service offices. This is the kind of program flexibility needed for us to be able to respond to the needs of a given community. With respect to requiring that DVOP funds be appropriated from general revenues, we would point out that the budget process provides safeguards to ensure that funds are appropriated from preferred sources. The process allows the Administration the flexibility to propose their optimal budget and Congress the prerogative of review and revise.

Mr. Chairman, the provision in section 6 providing that the Veterans Employment Service have functional responsibility for the participation of veterans in Federal employment and training programs and of job listings, referrals, and complaints under the Federal Contractor Job Listing program is in line with our current operation. While these programs are operationally under other offices, we work very closely in meeting our national obligations under these programs. My office and field staff will continue its functional oversight roles of all veterans employment and training programs, consequently this provision is unnecessary.

Section 12 of the bill would require Federal contractors to report at least quarterly on the total number of new hires, separately identifying Vietnam-era veterans, disabled veterans, and other eligible veterans. Mr. Chairman, we think that this provision would hinder our overall contractor program. As you are aware, we have suspended regulations requiring contractors to submit a quarterly hiring report. We reviewed and determined that the quarterly report was an unnecessary reporting burden. This determination was based on the fact that the report was of little, if any, assist-

ance in determining contractor compliance with the Federal Contractor Job Listing program. We favor an approach that stresses the benefits of listing jobs with the Job Service and hiring veterans. Imposing a quarterly hiring report will not assist our program objective to hire veterans.

The bill in section 3 would eliminate the "special disabled" category; i.e., those veterans rated at 30 percent or more. This provision would have the effect of extending eligibility for the Federal Contractor Job Listing (FCJL) program to veterans with 10 and 20 percent disabilities.

We believe that extending eligibility will serve to diminish the benefits of the program in several ways. The intent of the FCJL program is to provide "affirmative action" for employment and advancement to those groups of veterans (30% or more disabled and Vietnam era) which have experienced a disproportionately high share of unemployment. The benefits measured, in terms of referrals and job placements provided through the Job Service, have steadily declined since 1979. While issue may be taken with why the decline has occurred, the facts remains that any increase to the eligible population will spread opportunities even thinner. We also point out that any veteran, disabled or not, who has a "handicap to employment" could qualify for the Federal Contractor Job Listing program as a "handicapped individual" under Section 503 of the Rehabilitation Act of 1973. For these reasons, we do not favor this provision.

Section 5 of H.R. 6440 would make officials administering the Veterans' Reemployment Rights Program administratively and functionally responsible to the Assistant Secretary for Veterans' Employment.

I believe, that basic organizational decisions as to where in the Department a particular agency would be most effective should be left to the Secretary. Recently, the Secretary of Labor has determined that the program should remain under the Labor-Management Services Administration and administered in coordination and cooperation with my office.

H.R. 6440, Section 15, would repeal the Exemplary Rehabilitation Certificate program. We favor this provision. Study has shown that there is virtually no value in the certificate since it does not effect a person's discharge status.

Another provision of section 10 would establish a Secretary of Labor's Committee on Veterans' Affairs. The Committee is made up of various Federal agencies and chartered veterans' organizations having a national employment program. We do not believe this provision is necessary since we already work closely with all these people to receive feedback and ideas on our programs and assist with coordination of federal programs. Providing a formal structure would add bureaucratic requirements without any added substance.

Mr. Chairman, I hope that these brief comments will be of assistance to you and the Committee as you continue your work to develop meaningful and effective legislation to assist our nation's veterans.

The following views and comments were received from the Veterans Administration and the Office of Personnel Management.

United States
Office of
Personnel Management
Washington, D.C. 20415

July 16, 1982

In Reply Refer To

Your Reference

Honorable Robert W. Edgar
Chairman, Subcommittee on Education,
Training, and Employment
Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your May 27 request for the views of the Office of Personnel Management on H.R. 6440, to amend title 38, United States Code, to improve job training and placement programs for veterans.

In recognition of the very special sacrifice of those who have served in our Nation's armed forces, the Office of Personnel Management supports assistance to veterans, including disabled and Vietnam era veterans. Veterans have earned a special right to job opportunities within the Federal Government, and I am committed to see that their rights are continued and enforced.

The purpose of this bill is to strengthen job placement, counseling, and training for veterans in the private sector and in local, State, and Federal public employment through a systematic, uniform program administered by the Department of Labor (DOL) through local State employment service offices. I am concerned that some of the provisions affecting Federal employment would conflict with existing laws for Federal veterans' preference and public job information, create confusion over veterans' entitlements, and require duplicate reporting.

Section 6 would add subsection(a) to 38 U.S.C. 2003 concerning the appointment of full-time Federal clerical support personnel to assist each State's veterans' employment director. The last amending sentence says "Preference in such appointments shall be given to eligible persons identified in section 2108 of title 5 and section 2011 of this title." These sections contain different definitions of veterans for different purposes -- the former for Federal hiring purposes and the latter for eligibility for DOL's counseling and training programs for private or public employment. For example, the spouses, widows and mothers of certain deceased or disabled veterans are entitled to veteran preference under title 5, but not under title 38. For appointment to Federal positions, the veterans' preference laws in title 5 automatically apply. We recommend the sentence be deleted.

Section 6 also would add subsection(d) to 38 U.S.C. 2003 which would require each of DOL's regional directors for veterans' employment to be a veteran as defined in 38 U.S.C. 2011. For the reasons stated above, the reference to section 2011 should be deleted. Since these are Federal positions, the provision should specify that the appointee must be a veteran under the

veterans' preference definitions in 5 U.S.C. 2108.

Section 13 would revise subsection(c) of 38 U.S.C. 2014 to require each Federal agency to list immediately all jobs open to the general public with local employment service offices. Employment offices would have to give veterans priority in referral to openings. This provision should be dropped because it:

a) is redundant--5 U.S.C. 3227 already requires OPM and most agencies to provide employment service offices with vacancy information;

b) overlooks the central role of OPM, its competitive examination and referral services, and its positive placement programs for veterans in the Federal employment system; and

c) does not take into account the Federal personnel laws for veterans which spell out the system of relative priorities veterans must receive in competition with other job candidates for Federal appointment.

To avoid confusion and duplicate reporting, we believe the other provisions in section 13 should also be dropped. They would require OPM to include data on job openings listed, veterans referred, appointments, and complaints in its reports. Under subsection(d) of section 2014, OPM already is required to oversee and report on those activities of agencies in the employment and advancement of disabled and Vietnam era veterans which are covered under section 2014. Under 38 U.S.C. 2007(c), the Secretary of Labor already is required to report annually to the Congress in detail on activities of the Department of Labor and the State employment service offices in counseling, training, and placement services for veterans.

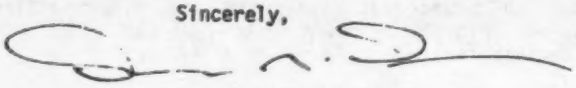
The provision of section 13 which permits "Any veteran who believes that a department...has failed to comply with paragraph (1) or (2)..." to file a complaint with OPM gives us particular concern. It requires OPM to investigate such complaints promptly. This paragraph establishes a precedent by permitting a private right of action under an affirmative action program. It would mean that any veteran could complain to OPM about the action of any agency regardless of whether the veteran was directly affected. This would be administratively burdensome to OPM, which does not have the resources to assume a new, complaint-generated workload.

Section 14 would amend 38 U.S.C. 2024(d), which grants reemployment rights for veterans, by setting a 12-month limit on the duration of active duty for training for which a private or public employer must grant leave of absence. We suggest the language be clarified to state that the period shall not exceed 12-months within any three calendar years.

We estimate the bill would cost OPM about $300,000 to implement and about $200,000 a year in maintenance costs. This does not reflect the cost of the Department of Labor or of local employment service offices in processing Federal job information or referring veterans to Federal vacancies.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,



Donald J. Devine
Director

Office of the
Administrator
of Veterans Affairs

Washington D.C. 20420

Veterans
Administration

FEB 22 1982

Honorable Thomas P. O'Neill
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed is a draft bill entitled the "Veterans' Rehabilitation and Education Adjustment Act of 1982," which I request be introduced and promptly enacted. Also enclosed is a section-by-section analysis of the measure.

The proposals being made are, with three exceptions, relatively minor program revisions, which, in many cases, result from the enactment of Public Law 96-466 in October 1980 and Public Laws 97-35 and 97-72 in 1981. The three exceptions are the discontinuance of additional chapter 31 subsistence allowances for dependents, repeal of the 50 percent employment reporting requirement in our vocational education program, and elimination of VA authority to provide educational assistance benefits for the pursuit of correspondence training.

The Veterans Administration is proposing to discontinue payment of additional vocational rehabilitation subsistence allowances on behalf of dependents. Title 38, United States Code, now provides that service-connected disabled veterans whose disability ratings are 30 percent or more shall receive additional disability compensation for dependents. This same group of veterans also receives an added chapter 31 allowance for dependents. Until 1978, these dependents' allowances were paid only to those veterans with disability ratings of 50 percent or more. Veterans whose disabilities are rated at less than 50 percent are likely to be fully employed and in a position to provide for their families without added Federal Government aid. Accordingly, the Veterans Administration is proposing in other legislation that additional disability compensation benefits for dependents be provided only to veterans with disability ratings of 50 percent or more. Moreover, the added chapter 31 allowance for dependents constitutes a duplication of assistance, since the same veterans are already receiving disability compensation dependents' allowances. This proposal would eliminate that duplication by discontinuing the chapter 31 allowances.

The second major amendment included in the draft proposal calls for repeal of the requirement that vocational schools report on the numbers of graduates who, during the preceding 2-year period, have obtained employment in the field for which the school has provided training.

The so-called "50 percent employment rule" was established with the enactment of Public Law 93-508 in 1974. The purpose of the rule was to prevent and mitigate against abuses of the VA's education programs by requiring schools to show that the vocational objective courses they offer can demonstrate a 50 percent placement record over the preceding 2-year period.

At the time the 50 percent employment rule was enacted, there were over 600,000 veterans enrolled in vocational training. This compares with approximately 65,000 veterans currently enrolled in such training. In addition, enrollments of veterans in vocational training will continue to diminish substantially in the year ahead.

It should be pointed out that vocational schools have begun to exercise a greater role in employment planning for students who take these types of courses and in the utilization of the training to match employment needs. The latest statistics available to the Veterans Administration disclose that, as of last Spring, there were approximately 22,000 courses on which reports had to be filed. Of this total, only about 3 percent of these courses were being disapproved for failure to meet the 50 percent employment requirement. The preparation and filing of these reports is very costly, necessitating approximately 324 man-years of effort on the part of schools each year to meet these requirements.

As mentioned above, the requirement was initially established to prevent abuses in vocational training programs which had become apparent to the Veterans Administration. At the time the requirement was first implemented, about 25 percent of the courses being reported on were disapproved for failure to meet the employment criteria, compared to the most recent rate of 3 percent. Thus, the requirement has had the salutary effect of making schools aware of the need to provide requisite training to meet employment needs. We believe that the requirement has now served its basic purpose.

The third major amendment to current law contained in the draft proposal would terminate authority to provide VA educational assistance for the pursuit of correspondence training.

In enacting all three GI Bill programs--World War II, Korean conflict, and post-Korean conflict--the Congress intended that the educational assistance provided would be a readjustment benefit designed to (a) extend the benefits of a higher education to qualified and deserving persons who might otherwise be unable to afford such an education; (b) provide vocational readjustment and restore lost educational opportunities to those individuals whose careers had been interrupted by military service; and (c) aid such individuals to attain the educational and vocational status they would have attained but for their service to their country. Benefits for pursuit of training programs, such as correspondence training, were designed to assist individuals to obtain necessary skills and enable them to find employment.

It is the position of the Veterans Administration that the correspondence training program has not met the objective of providing substantial employment for those trained, and that many individuals have used this program primarily for recreational or avocational purposes. This position is supported by three studies made in recent years concerning this program which are fully discussed in the section-by-section analysis.

In summary, our years of experience in administering education programs for veterans and other eligible persons convince us that correspondence courses have not fulfilled their intended purpose of aiding the beneficiary to adjust to his or her changed circumstances by providing the training required for employment. It is our conclusion that the ineffectiveness of this program, along with the potential for continued misuse, warrants its termination.

The other proposals we have included in the draft measure are set forth in detail in the enclosed section-by-section analysis.

Briefly, I am recommending repeal of the authority for the Veterans' Representatives (Vet Rep) program (section 202). I am also recommending several amendments to various sections in title 38 pertaining to payment of educational benefits to incarcerated persons (sections 101, 206, and 208), as well as modifications to the VA education loan default report (section 210), and reduction of the period for requesting waiver of recovery of VA overpayments (section 401).

It is estimated that enactment of this proposal would result in direct benefits savings in Fiscal Year 1983 of $25.3 million and $113 million over the first 5 fiscal years. Enactment would also result in estimated administrative savings of $223,000 in Fiscal Year 1983 and $1,135,000 over the first 5 fiscal years. These estimates are reflected in the President's Fiscal Year 1983 Budget transmitted to the Congress on February 8, 1982.

I have been advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

ROBERT P. NIMMO
Administrator

Enclosures

A BILL

To amend title 38, United States Code, to make adjustments and improvements in the vocational rehabilitation and education programs administered by the Veterans' Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Rehabilitation and Education Adjustment Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I -- REHABILITATION AMENDMENTS

SEC. 101. Section 1508 is amended by --

(1) amending subsection (b) to read as follows:

"(b) Except as otherwise provided in this section, the Administrator shall determine the subsistence allowance to be paid to a veteran under this chapter in accordance with the following table, which shall be the monthly amount shown in column II opposite the appropriate type of program being pursued as specified in column I:

"Column I Type of program	Column II Monthly amount
Institutional training:	
Full-time	$282
Three-quarter-time	$212
Half-time	$141
Farm cooperative, apprentice, or other on-job training:	
Full-time	$246
Extended evaluation:	
Full-time	$282
Independent living training:	
Full-time	$282
Three-quarter-time	$212
Half-time	$141";

and

(2) amending subsection (g) to read as follows:

"(g) No subsistence allowance may be paid under this section in the case of any veteran who is pursuing a rehabilitation program while incarcerated in a Federal, State, or local penal institution for conviction of a felony.".

TITLE II -- EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 242 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator may establish veterans benefits counselors at locations such as school campuses to provide assistance regarding benefits under this title to veterans and eligible persons and to conduct outreach as provided for under this subchapter.".

SEC. 202(a). Section 243 is repealed.

(b) The table of sections at the beginning of chapter 3 is amended by striking out

"243. Veterans' representatives.".

SEC. 203. Section 1652(b) is amended by striking out "402(a) of the Economic Opportunity Act of 1964 (42 U.S.C. 2902(a))" and inserting in lieu thereof "section 7(i) of the Small Business Act (15 U.S.C. 636(i))".

SEC. 204. Section 1673(a) is amended by --

(1) striking out "(1)" before "The";

(2) repealing paragraph (2) in its entirety;

(3) redesignating clauses (A), (B), (C), and (D) as clauses (1), (2), (3), and (4), respectively; and

(4) amending clause (2) (as redesignated by clause (3) of this section) to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field;".

SEC. 205. Section 1673(d) is amended by inserting immediately after the first sentence the following:

"Notwithstanding the above, veterans described in section 1691(c) of this title pursuing secondary school courses will be subject to the 85 percent restriction.".

SEC. 206. Section 1682 is amended by --

(1) amending the second sentence of subsection (e) by striking out "at one-half of the full-time institutional

rate" and inserting in lieu thereof "in accordance with the rate of pursuit but in no event more than the less than half-time rate"; and

(2) amending subsection (g) to read as follows:

"(g) The amount of the educational assistance allowance paid to an eligible veteran who is pursuing a program of education under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony may not exceed such amount as the Administrator determines, in accordance with regulations which the Administrator shall prescribe, is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans enrolled in the same program and to cover the cost of necessary supplies, books, and equipment, or the applicable monthly educational assistance allowance prescribed for a veteran with no dependents in subsection (a)(1) or (c)(2) of this section or section 1787(b)(1) of this title, whichever is the lesser. Except for payment for necessary books, supplies, and equipment required of similarly circumstanced nonveterans, no benefits shall be payable for any course for which there are no tuition or fees.".

SEC. 207. Section 1723(a) is amended by --

(1) striking out "(1)" before "The";

(2) repealing paragraph (2) in its entirety;

(3) redesignating clauses (A), (B), (C), and (D) as clauses (1), (2), (3), and (4), respectively; and

(4) amending clause (2) (as redesignated by clause (3) of this section) to read as follows:

"(2) any sales or sales management course which does not provide specialized training within a specific vocational field;".

SEC. 208. Section 1780(a) is amended by striking out clause (6).

SEC. 209. Section 1790(b)(2) of title 38, United States Code, is amended by adding at the end thereof a new paragraph (3) to read as follows:

"(3) Notwithstanding the evidence required to discontinue educational assistance to an individual eligible veteran or eligible person under paragraph (2) of this subsection, the Administrator may discontinue such assistance to eligible veterans and eligible persons already enrolled, and may disapprove the enrollment

of any eligible veteran or eligible person, in any course where the Administrator finds that (A) the course fails to meet any of the approval requirements of this chapter or (B) the educational institution offering the course has violated the recordkeeping or reporting requirements of this chapter or chapter 31, 32, 34, or 35 of this title and, having been advised of such violation(s), has failed to take reasonable corrective action. Whenever the Administrator so discontinues such assistance, the Administrator shall give notice as required under paragraph (2) of this subsection.".

SEC. 210. Section 1798(e)(3) is amended to read as follows:

"(3) The Administrator shall submit to the appropriate committees of the Congress not later than December 31 of each year a report on the current results of the continuing review required by subsection (g)(1) of this section to be made regarding the default experience with respect to loans made under this section and any steps being taken to reduce default rates on such loans. Such reports shall include --

"(A) data regarding the cumulative default experience, and the default experience during the preceding year, with respect to such loans; and

"(B) data regarding the default experience and default rate with respect to (i) loans made under this section in connection with accelerated payments under section 1682A of this title, and (ii) loans made under this section.".

TITLE III -- REPEAL OF AUTHORITY TO PURSUE CORRESPONDENCE TRAINING

SEC. 301. Section 1631(c) is repealed.

SEC. 302. Section 1652(c) is amended by striking out "correspondence school,".

SEC. 303. Section 1681(b) is amended by striking out ", a program exclusively by correspondence or".

SEC. 304. Section 1684 is amended to read as follows:

"1684. Apprenticeship or other on-job training

"Any eligible veteran may pursue a program of apprenticeship or other on-job training and be paid a training assistance allowance as provided in section 1787 of this title.".

SEC. 305. Section 1701(a)(6) is amended by striking out "correspondence school,".

SEC. 306. Section 1734 is amended by --

(1) striking out subsection (b) thereof;

(2) striking out "(a)"; and

(3) amending the catch line at the beginning thereof to read as follows:

"1734. Apprenticeship or other on-job training".

SEC. 307. Section 1780 is amended by --

(1) striking out in subsection (a) ", a program by correspondence or";

(2) striking out clause (5) of subsection (a);

(3) inserting "or" at the end of clause (3) of subsection (a);

(4) striking out the semicolon at the end of clause (4) and inserting in lieu thereof a period;

(5) repealing subsection (b) and the center heading which immediately precedes such subsection;

(6) redesignating subsections (c), (d), (e), (f), and (g) as subsections (b), (c), (d), (e), and (f), respectively;

(7) striking out in subsection (d) (as redesignated by clause (6) of this section) "(d)" and inserting in lieu thereof "(c)"; and

(8) striking out in subsection (e) (as redesignated by clause (6) of this section) "(d)" and inserting in lieu thereof "(c)".

SEC. 308. Section 1784 is amended by --

(1) striking out in subsection (a) ", or, in the case of correspondence training, the last date a lesson was serviced by the school"; and

(2) striking out in subsection (c) "(d)" and inserting in lieu thereof "(c)".

SEC. 309. Section 1786 is repealed.

SEC. 310. Section 1798(c) is amended by striking out "correspondence or".

SEC. 311. The table of sections at the beginning of chapter 34 is amended by --

(1) striking out

"1684. Apprenticeship or other on-job training, correspondence courses.";

and

(2) inserting in lieu thereof

"1684. Apprenticeship or other on-job training.".

SEC. 312. The table of sections at the beginning of chapter 35 is amended by --

(1) striking out

"1734. Apprenticeship or other on-job training, correspondence courses.";

and

(2) inserting in lieu thereof

"1734. Apprenticeship or other on-job training.".

SEC. 313. The table of sections at the beginning of chapter 36 is amended by striking out

"1786. Correspondence courses.".

SEC. 314. Section 604(a) of the Act of October 24, 1972, entitled the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" (86 Stat. 1099) as amended by section 3 of the Act of July 10, 1974, entitled "An Act to amend title 38, United States Code, to provide a ten-year delimiting period for the pursuit of educational programs by veterans, wives, and widows" (88 Stat. 292), is amended by striking out the following: "(1) eligible to pursue a program of education exclusively by correspondence by virtue of the provisions of section 1786 of such title (as added by section 316 of this Act) or (2)".

TITLE IV -- MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

SEC. 401. Section 3102(a) is amended by striking out "two years" and inserting in lieu thereof "180 days".

SEC. 402. The amendments made by sections 101(1), 204 and 207, and Title III shall become effective on October 1, 1982.

SECTION-BY-SECTION ANALYSIS OF DRAFT PROPOSAL

Section 1

Subsection (a) provides that the draft proposal may be cited as the "Veterans' Rehabilitation and Education Adjustment Act of 1982."

Subsection (b) provides that whenever in the proposal an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, unless otherwise specified.

TITLE I -- REHABILITATION AMENDMENTS

Section 101

This section of the draft proposal has two basic purposes. The first purpose is to eliminate the authority for the Administrator to pay added subsistence allowance benefits on account of dependents to veterans pursuing vocational rehabilitation programs under chapter 31. Title 38, United States Code, now provides that service-connected disabled veterans whose disability ratings are 30 percent or more shall receive additional disability compensation for dependents. This same group of veterans also receives an added chapter 31 allowance for dependents. Until 1978, these dependents' allowances were paid only to those veterans with disability ratings of 50 percent or more. Veterans whose disabilities are rated at less than 50 percent are likely to be fully

employed and in a position to provide for their families without added Federal Government aid. Accordingly, the Veterans Administration is proposing in other legislation that additional disability compensation benefits for dependents be provided only to veterans with disability ratings of 50 percent or more. Moreover, the added chapter 31 allowance for dependents constitutes a duplication of assistance, since the same veterans are already receiving disability compensation dependents' allowances. This proposal would eliminate that duplication by discontinuing the chapter 31 allowances.

The second purpose of section 101 is to amend 38 U.S.C. § 1508(g) to eliminate the requirement that the Administrator verify the amount of an individual's living expenses where the individual is residing in a halfway house or participating in a work-release program in connection with the individual's conviction of a felony. Under current law, the Administrator may not pay subsistence allowance where all of the living expenses are being defrayed by a Federal, State, or local government. The VA's experience has been that verification of the amount of the defrayment of an individual's living expenses under such circumstances has been most difficult and time-consuming and therefore has not been cost effective. The change proposed to be made here would be to eliminate such a determination and permit payment of the allowance to such individuals as a part of their readjustment process.

TITLE II -- EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Section 201

This section of the draft proposal, along with the following section, would rescind the authority for the Veterans' Representatives (Vet Rep) program contained in section 243 of title 38, and would amend section 242 to specifically authorize the Administrator to station veterans benefits counselors at locations away from the VA regional office.

The original purpose of the Veterans' Representatives (Vet Rep) program was to alleviate problems in the educational assistance payment system which caused long delays in the receipt (or nonreceipt) of benefit checks for many veterans. The Vet Reps were to establish lines of communication in an effort to correct the problem. They were to be present full time on school campuses with large enrollments of veterans and eligible dependents. This, of course, was during a period when enrollments in the current veteran education program were at their peak.

With the passage of time and the change in the payment provisions, as well as the reduction in enrollments of veterans and dependents, the original need for the Vet Rep program has been fulfilled. Veterans Benefits Counselors currently perform the variety of duties which were previously accomplished by Vet Reps, and as a result the special authority is no longer required.

Section 202

This section would strike out 38 U.S.C. § 243, thereby terminating the authority for the Vet Rep program, and would also amend the table of sections at the beginning of chapter 3 to delete the reference to section 243.

Section 203

This section of the bill would amend section 1652(b) of title 38 to merely cite a new cross reference to the Small Business Act. The current provisions are outdated in that the statutory citation is now found in section 7(i) of the Small Business Act [15 U.S.C. § 636(i)] rather than section 402(a) of the Economic Opportunity Act of 1964. This change would update the Code.

Section 204

This section would amend section 1673(a)(2) of title 38 to repeal the requirement that vocational schools report on the numbers of graduates who, during the preceding 2-year period, have obtained employment in the field for which the school has provided training.

The current requirement was enacted in 1974 in conjunction with Public Law 93-508. The purpose of the amendment was to prevent and mitigate against abuses of the Veterans Administration's education programs by requiring schools to show that vocational objective courses they offered could demonstrate a 50 percent placement record over the preceding 2-year period.

At the time this provision was enacted, there were over 600,000 veterans enrolled in vocational training. This compares with approximately 65,000 veterans enrolled in such training at the present time. Enrollments of veterans in vocational training has and will continue to decrease substantially.

It should be pointed out that vocational schools have begun to exercise a greater role in employment planning for students taking these types of courses and in the utilization of the training to match employment needs. The latest statistics available to the Veterans Administration disclose that last Spring there were approximately 22,000 courses on which reports had to be filed. Of this total, only about 3 percent of these courses were being disapproved for failure to meet the 50 percent employment requirement. The preparation and filing of these reports are very costly, necessitating approximately 324 man-years of effort on the part of schools each year to meet these requirements.

Initially, this requirement was needed to prevent abuses which had become apparent to the Veterans Administration. At the time the requirement was first implemented, approximately 25 percent of the courses being reported on were disapproved for failure to meet the employment criteria, compared to the most recent rate of 3 percent. Thus, the

requirement has had the salutary effect of making schools aware of the need to provide requisite training to meet employment needs. The requirement, therefore, has served its basic purpose.

Section 205

This section would amend 38 U.S.C. § 1673(d) to clarify that educationally disadvantaged servicepersons pursuing high school completion or GED courses without charge to entitlement are subject to the 85-15 veteran-dependent enrollment requirement under which no more than 85 percent of the individuals enrolled in a course may be veterans and dependents receiving VA benefits. This would apply even where the courses are offered on or near a military base and are otherwise exempt from the 85-15 requirement.

Currently, 38 U.S.C. § 1673(d) does not provide that these servicepersons are to be included in the 85-15 requirement. Moreover, that section specifically exempts from this requirement those courses offered under Department of Defense contract and given on or adjacent to a military base.

In enacting Public Law 96-466, however, the Congress amended 38 U.S.C. § 1691 to provide that educationally disadvantaged servicepersons pursuing high school or GED courses without charge to entitlement are subject to the

85-15 requirement. However, a comparable provision was not included in section 1673(d). Therefore, this technical amendment to that section is proposed to have it conform with other provisions of title 38.

Section 206

This section would amend section 1682 of title 38 in two respects.

Clause (1) would amend subsection (e) to prescribe a more appropriate entitlement charge for the pursuit of independent study where the entire program is pursued in that mode. In the enactment of Public Law 96-466, the Congress provided that such pursuit would be charged at one-half the full-time rate. It is believed the appropriate entitlement charge should be at the rate of pursuit, but not more than the less than half-time rate. This would comport with the procedure being followed by the VA prior to the law change--a result we believe the Congress intended. Under the proposed change, the individual would be paid and charged entitlement based upon the rate of pursuit, limited to the less than half-time rate for this type of study.

Clause (2) would amend subsection (g) to reflect the same limitation on payment of educational assistance as is provided in the amendment to 38 U.S.C. § 1508(g). (See Section 101 above.) Additionally, clause (2) would clarify that, in cases where the incarcerated veteran is not charged tuition

or fees for his or her course, no chapter 34 benefits shall be payable, except for necessary books, supplies, and equipment required for the course.

Section 207

This section would amend section 1723(a)(2) of title 38 to repeal the requirement in chapter 35 that vocational schools report on the numbers of graduates who, during the preceding 2-year period, have obtained employment in the field for which the school provided training.

The basis for the change recommended here is the same as that set forth in section 204 of the draft bill.

Section 208

This section would amend section 1780(a) by deleting clause (6) thereof. This proposal would modify the present provisions of law which limit the payment of educational assistance allowances to individuals who are incarcerated in Federal, State, county, or local prisons or jails. It would provide that those individuals incarcerated as the result of a conviction would have their educational benefits limited to the cost of tuition, fees, books, supplies and necessary equipment charged similarly circumstanced nonveterans.

In the enactment of Public Law 96-466, the Congress imposed what amounted to two sets of rules to govern the payment of educational assistance benefits to incarcerated veterans and dependents. The first set applied to those individuals

convicted of a felony which resulted in their incarceration. Such individuals were limited to the cost of their tuition and fees charged other similarly circumstanced nonveterans, plus the cost of necessary supplies, books and equipment, or the full-time institutional single veteran rate, whichever is lesser. Where such an individual is placed in a work-release program or halfway house, the same rule would apply if all the veterans's or dependent's living expenses are defrayed by a Federal, State, or local government.

The second set of rules was made applicable to all incarcerated veterans and dependents, whether convicted of a felony or a misdemeanor. Under the second set, no educational assistance allowances are to be paid to any veteran incarcerated in a Federal, State, or local prison or jail to the extent that the tuition and fees of such an individual are paid under any Federal, State, or local program (other than the VA) or where there are no tuition and fees. Needless to say, this has created many administrative problems in making determinations concerning the type of conviction as well as making determinations as to the amount of any payments which may be made by some other governmental unit.

Section 209

This section would amend section 1790(b) of title 38 to add a new paragraph (3) authorizing the Administrator to discontinue all educational assistance for enrollments in a course or educational institution which the Administrator finds is

in serious violation of fundamental statutory approval, or record-keeping or reporting requirements. Currently, where a course fails to meet such requirements, payments to eligible veterans and persons continue until remedial action, such as withdrawal of approval, is effected or until evidence of non-entitlement is acquired in each individual case. Such payments may be unduly prolonged for various reasons outside the Administrator's control. This proposal would permit the Administrator to minimize or prevent overpayments by discontinuing educational assistance where the Administrator has evidence that a course fails to meet approval requirements or where the record-keeping or reporting practices of an educational institution cannot be relied upon as a basis for continued payment of educational allowances. The veteran or dependent would be afforded the same concurrent written notice of discontinuance as is now provided in paragraph (2).

Section 210

This section would amend section 1798(e)(3) to eliminate the requirement that the Administrator report to Congress on the education loan default rate on a school-by-school basis. Compiling these statistics in such detail has proved to be administratively costly and we are unaware of any inquiry being made concerning, or any other use being made of, these individual school statistics. In the

enactment of Public Law 97-35, the Omnibus Reconciliation Act of 1981, the number of education loans which may be made has been drastically reduced. Over a short period of time, even this small number of loans will be phased out.

This reduces the need for the report to be made in the detail now required.

TITLE III -- REPEAL OF AUTHORITY TO PURSUE CORRESPONDENCE TRAINING

Sections 301 through 314 would strike out all reference to correspondence training contained in chapters 32, 34, 35, and 36 of title 38. These deletions would have the effect of eliminating authority for the VA to provide educational assistance to eligible veterans and other eligible persons for the pursuit of correspondence training.

In enacting all three GI Bill programs--World War II, Korean conflict, and post-Korean conflict--the Congress intended that the educational assistance provided would be a readjustment benefit designed to (a) extend the benefits of a higher education to qualified and deserving persons who might otherwise be unable to afford such an education; (b) provide vocational readjustment and restore lost educational opportunities to those individuals whose careers had been interrupted by military service; and (c) aid such individuals to attain the educational and vocational status they would have

attained but for their service to their country. Benefits for pursuit of training programs, such as correspondence training, were designed to assist individuals to obtain necessary skills and enable them to find employment.

It is the position of the Veterans Administration that the correspondence training program has not met the objective of providing substantial employment for those trained, and that many individuals have used this program primarily for recreational or avocational purposes. This position is supported by three studies made in recent years concerning this program.

In March 1979 the General Accounting Office surveyed a representative sample of veterans who had completed correspondence courses to determine whether their full-time occupations were related to the training they had received under the GI Bill. The August 1979 GAO report showed that only about 34 percent of those who completed correspondence training had full-time jobs directly related to their training and that the overall completion rate for correspondence training courses was less than 50 percent.

A second audit of the utilization of educational assistance benefits for pursuit of correspondence courses was

conducted between November 1978 and March 1979 by the VA Inspector General. In his September 1979 report, the VA Inspector General stated that a survey of veterans who had completed correspondence courses disclosed that less than half were directly employed in the field for which they trained.

Thus, these two studies substantiated the findings of the July 11, 1978, report the Veterans Administration sent to the Congress entitled, "Study of Vocational Objective Programs Approved for Enrollment of Veterans." That report contained data which revealed that the correspondence training program was not achieving its intended purpose--to help provide a source of continuing substantial employment for veterans and dependents. The report noted that completion statistics for correspondence courses indicated an average completion rate for vocational courses offered by correspondence was only 41 percent.

In summary, our years of experience in administering education programs for veterans and other eligible persons convince us that correspondence courses have not fulfilled their intended purpose of aiding the beneficiary to adjust to his or her changed circumstances by providing the training required for employment. It is our conclusion that the

ineffectiveness of this program, along with the potential for continued misuse, warrants its termination.

TITLE IV -- MISCELLANEOUS PROVISIONS AND EFFECTIVE DATES

Section 401 would amend section 3102(a) to reduce the period for requesting waiver of recovery of a VA overpayment from 2 years to 180 days.

Current law allows an individual who has been notified of a VA overpayment to request waiver of recovery of such overpayment within 2 years of the notice. When this section was originally written, the attitude behind allowing 2 years was to give veterans at least as much time to request waiver as was given to Federal employees who have been overpaid. Since that time, the VA overpayment problem has become more critical, and numerous debt collection provisions have been enacted to ameliorate it.

If an individual believes the VA has incorrectly stated the amount of the overpayment or that recovery of the overpayment would be against equity and good conscience, it would seem the reasons for requesting a waiver would not take 2 years to appear. Rather, it would seem that the time for presenting a waiver request and the evidence to support it would be the period immediately following the VA notice of overpayment. This would be the period when events are fresh, memories are relatively unclouded, and witnesses are most available. The applicant for waiver would be given a speedier resolution of

the matter, and the VA would be able to provide the supporting documents, witnesses, and explanation while these are still close at hand.

Further, reducing the request period to 180 days would aid the VA collection effort (in which we are required to be aggressive) by lending greater finality to overpayment recovery procedures.

Section 402

This section would provide that the amendments relating to the vocational rehabilitation program dependency allowance (set forth in section 101(1)), repeal of the so-called 50 percent employment rule (set forth in sections 204 and 207), and correspondence training (set forth in Title III) shall be effective October 1, 1982.

○

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART I. GENERAL PROVISIONS

* * * * * * *

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

* * * * * * *

SUBCHAPTER IV—VETERANS OUTREACH SERVICES PROGRAM

240. Purpose; definitions.
241. Outreach services.
242. Veterans assistance office.
[243. Veterans' representatives.]
244. Utilization of other agencies.
245. Report to Congress.

* * * * * * *

Subchapter IV—Veterans Outreach Services Program

* * * * * * *

§ 242. Veterans assistance offices

(a) The Administrator shall establish and maintain veterans assistance offices at such places throughout the United States and its territories and possessions, and the Commonwealth of Puerto Rico, as he determines to be necessary to carry out the purposes of this subchapter, with due regard for the geographical distribution of veterans recently discharged or released from active military, naval, or air service, the special needs of educationally disadvantaged veterans (including their need for accessibility of outreach services), and the necessity of providing appropriate outreach services in less populated areas.

(b) The Administrator shall establish and carry out all possible programs and services, including special telephone facilities, as may be necessary to make the outreach services provided for under this subchapter as widely available as possible.

(c) The Administrator may station veterans benefits counselors at locations other than Veterans' Administration offices, including edu-

cational institutions, to provide assistance regarding benefits under this title to veterans and other persons eligible for benefits under this title and to provide outreach services under this subchapter.

[§ 243. Veterans' representatives

[(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapters 31, 34, 35, and 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

[(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

[(3) The functions of such veterans' representatives shall be to—

[(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

[(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

[(C) maintain active liaison, communication, and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

[(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments authorized under this title;

[(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as "V.C.I. institutions");

[(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

[(G) where such functions are not being adequately carried out by existing programs at such institutions (i) provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section

241 of this title) and (ii) carry out outreach activities under this subchapter; and

[(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

[(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more than one particular educational institution.

[(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veteran affairs' functions at V.C.I. institutions.

[(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.]

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PART III—READJUSTMENT AND RELATED BENEFITS

* * * * * * *

CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

* * * * * * *

§ 1508. Allowances

(a) * * *

* * * * * * *

(g) [(1) Notwithstanding any other provision of this title and subject to the provisions of paragraph (2) of this subsection, no subsistence allowance may] *A subsistence allowance may not* be paid under this section in the case of any veteran who is pursuing a rehabilitation program under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony.

[(2) Paragraph (1) of this subsection shall apply in the case of any veteran who is pursuing a rehabilitation program under this chapter while residing in a halfway house or participating in a work-release program in connection with such veteran's conviction of a felony if the Administrator determines that all the veteran's living expenses are being defrayed by a Federal, State, or local government.]

* * * * * * *

CHAPTER 32—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

* * * * * * *

Subchapter II—Eligibility, Contributions; and Matching Fund

§ 1622. Contributions; matching fund

(a) * * *

* * * * * * *

(d) Subject to the maximum contribution prescribed by subsection (a) of this section, a participant shall be permitted, while serving on active duty, to make a lump-sum contribution to the fund. A lump-sum contribution to the fund by a participant shall be in addition to or in lieu of monthly deductions made from such participant's military pay and shall be considered, for the purposes of paragraph (2) of section 1631(a), to have been made by monthly deductions from such participant's military pay in the amount of [$75] *$100* per month or in such lesser amount as may be specified by such participant pursuant to regulations issued jointly by the Secretary and the Administrator.

(e) Any amount transferred to the Administrator from the Secretary of a military department under an interagency agreement for the administration by the Veterans' Administration of an educational assistance program established by the Secretary under chapter 107 of title 10 may be deposited into and disbursed from the fund.

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

* * * * * * *

Subchapter III—Enrollment

* * * * * * *

§ 1673. Disapproval of enrollment in certain courses

(a)[(1)] The Administrator shall not approve the enrollment of an eligible veteran in—

[(A)](*1*) any bartending course or personality development course;

[(B) any course with a vocational objective, unless the eligible veteran or the institution offering such course presents evidence satisfactory to the Administrator showing that at least one-half of the persons who completed such course over such period, and who are not unavailable for employment, attained employment for an

average of ten hours a week in an occupational category for which the course was designed to provide training;]

(2) any sales or sales management course which does not provide specialized training within a specific vocational field;

[(C)](3) any type of course which the Administrator finds to be avocational or recreational in character (or the advertising for which the Administrator finds contains significant avocational or recreational themes) unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of the veteran's present or contemplated business or occupation; or

[(D)](4) any independent study program except one leading to a standard college degree.

[(2)(A) For the purposes of clause (B) of paragraph (1) of this subsection, in computing the number of persons who discontinued or completed a course over any two-year period, there shall not be included in such number those persons who received assistance under this title for pursuing such course while serving on active duty.

[(B) The provisions of clause (B) of paragraph (1) of this subsection shall not apply in the case of a particular course offered by an educational institution in a particular year if the total number of eligible veterans and eligible persons (as defined in section 1701(a)(1) of this title) enrolled in the institution during the two-year period preceding such year did not exceed 35 percent of the total enrollment in such institution during such period and the course has met the requirements of such clause for any two-year period ending on or after the date of the enactment of this paragraph.

[(C) The Administrator may waive the requirements under clause (B) of paragraph (1) of this subsection if the Administrator determines, under regulations which the Administrator shall prescribe, that such requirements would work an undue administrative hardship on an educational institution because of the small proportion of eligible veterans and eligible persons (as defined in section 1701(a)(1) of this title) enrolled in such institution.]

(b) The Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by radio or by open circuit television, except that the Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through open circuit television.

(d) [The Administrator] *(1) Except as provided in paragraph (2) of this subsection, the Administrator* shall not approve the enrollment of any eligible veteran, not already enrolled, in any course [(other than one offered pursuant to subchapter V, any farm cooperative training course, or any course described in section 1789(b)(6) of this title)] for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or by the Veterans' Administration under this

title. The Administrator may waive the requirements of this subsection, in whole or in part, if the Administrator determines, pursuant to regulations which the Administrator shall prescribe, it to be in the interest of the eligible veteran and the Federal Government. The provisions of this subsection shall not apply to any course offered by an educational institution if the total number of veterans and persons receiving assistance under this chapter or chapter 31, 32, 35, or 36 of this title who are enrolled in such institution equals 35 per centum or less, or such other per centum as the Administrator prescribes in regulations, of the total student enrollment at such institution (computed separately for the main campus and any branch or extension of such institution), except that the Administrator may apply the provisions of this subsection with respect to any course in which the Administrator has reason to believe that the enrollment of such veterans and persons may be in excess of 85 per centum of the total student enrollment in such course.

(2) Paragraph (1) of this subsection—

(A) does not (except as provided in section 1691(c) of this title) apply with respect to the enrollment of a veteran in a course offered pursuant to subchapter V of this chapter;

(B) does not apply with respect to the enrollment of a veteran in a farm cooperative training course; and

(C) does not apply with respect to the enrollment of a veteran in a course described in section 1789(b)(6) of this title.

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Subchapter IV—Payments to Eligible Veterans; Veteran-Student Services

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§ 1682. Computation of educational assistance allowances

(a) * * *

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(e) The educational assistance allowance of an eligible veteran pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (b) of this section. If the entire training is to be pursued by independent study, [entitlement shall be charged at one-half of the full-time institutional rate] *the amount of such veteran's entitlement to educational assistance under this chapter shall be charged in accordance with the rate at which the veteran is pursuing the independent study program but at not more than the rate at which such entitlement is charged for pursuit of such program on less than a half-time basis.* In any case in which independent study is combined with resident training, the educational assistance allowance shall be paid at the applicable institutional rate based on the total training time determined by adding the number of semester hours (or the equivalent thereof) of resident training to the number of semester hours (or the equivalent thereof) of independent study that do not exceed the number of semester hours (or the equivalent thereof) required for the less than half-time institutional rate, as determined by the Administrator, for resi-

dent training. A veteran's entitlement shall be charged for a combination of independent study and resident training on the basis of the applicable monthly training time rate as determined under section 1788 of this title.

(f) The educational assistance allowance of an eligible veteran pursuing a course in part by open circuit television shall be computed in the same manner that such allowance is computed under subsection (e) of this section for an independent study program.

(g) [(1) Subject to the provisions of paragraph (2) of this subsection, the] *The* amount of the educational assistance allowance paid to an eligible veteran who is pursuing a program of education under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony may not exceed such amount as the Administrator determines, in accordance with regulations which the Administrator shall prescribe, is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans enrolled in the same program and to cover the cost of necessary supplies, books, and equipment, or the applicable monthly educational assistance allowance prescribed for a veteran with no dependents in subsection (a)(1) or (c)(2) of this section or section 1787(b)(1) of this title, whichever is the lesser.

[(2) Paragraph (1) of this subsection shall apply in the case of any veteran who is pursuing a program of education under this chapter while residing in a halfway house or participating in a work-release program in connection with such veteran's conviction of a felony if the Administrator determines that all the veteran's living expenses are being defrayed by a Federal, State, or local government.]

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Subchapter V—Special Assistance for the Educationally Disadvantaged

§ 1690. Purpose

It is the purpose of this subchapter (1) to encourage and assist veterans who have academic deficiencies to attain a high school education or its equivalent and to qualify for and pursue courses of higher education, (2) to assist eligible veterans to pursue postsecondary education through tutorial assistance where required, and (3) to encourage educational institutions to develop programs which provide special tutorial, remedial, preparatory, or other educational or supplementary assistance to such veterans.

§ 1691. Elementary and secondary education and preparatory educational assistance

(a) * * *

* * * * * * *

(c) The provisions of section 1673(d)(*1*) of this title, relating to the disapproval of enrollment in certain courses, shall be applicable to the enrollment of an eligible veteran who, while serving on active duty, enrolls in one or more courses under this subchapter for the purpose of attaining a secondary school diploma (or an equivalency certificate).

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CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

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Subchapter III—Program of Education

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§ 1723. Disapproval of enrollment in certain courses

(a)[(1)] The Administrator shall not approve the enrollment of an eligible person in—

[(A)](*1*) any bartending course or personality development course;

[(B) any course with a vocational objective, unless the eligible person or the institution offering such course presents evidence satisfactory to the Administrator showing that at least one-half of the persons who completed such course over such period, and who are not unavailable for employment, attained employment for an average of ten hours a week in an occupational category for which the course was designed to provide training;]

(*2*) *any sales or sales management course which does not provide specialized training within a specific vocational field;*

[(C)](*3*) any type of course which the Administrator finds to be avocational or recreational in character (or the advertising for which the Administrator finds contains significant avocational or recreational themes) unless the eligible person submits justification showing that the course will be of bona fide use in the pursuit of the person's present or contemplated business or occupation; or

[(D)](*4*) any independent study program except one leading to a standard college degree.

[(2)(A) For the purposes of clause (B) of paragraph (1) of this subsection, in computing the number of persons who discontinued or completed a course over any two-year period, there shall not be included in such number those persons who received assistance under this title for pursuing such course while serving on active duty.

[(B) The provisions of clause (B) of paragraph (1) of this subsection shall not apply in the case of a particular course offered by an educational institution in a particular year if the total number of eligible veterans (as defined in section 1652(a)(1) of this title) and eligible persons enrolled in the institution during the two-year period preceding such year did not exceed 35 percent of the total enrollment in such institution during such period and the course has met the requirements of such clause for any two-year period ending on or after the the date of the enactment of this paragraph.

[(C) The Administrator may waive the requirements under clause (B) of paragraph (1) of this subsection if the Administrator determines, under regulations which the Administrator shall prescribe that such requirements would work an undue administrative hardship on an educational institution because of the small proportion of eligible veterans (as defined in section 1652(a)(1) of this title) and eligible persons enrolled in such institution.]

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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Subchapter I—State Approving Agencies

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§ 1780. Payment of educational assistance or subsistence allowances

Period for Which Payment May Be Made

(a) Payment of educational assistance or subsistence allowances to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence, in an educational institution under chapter 31, 34, or 35 of this title shall be paid as provided in this section and as applicable, in section 1504, 1682, 1691, or 1732 of this title. Such payments shall be paid only for the period of such veterans' or persons' enrollment in, and pursuit of, such program, but no amount shall be paid—

(1) * * *

* * * * * * *

(4) to any eligible veteran or person for a course for which the grade assigned is not used in computing the requirements for graduation including a course from which the student withdraws unless the Administrator finds there are mitigating circumstances;

(5) to any eligible veteran or person for pursuit of a program of education exclusively by correspondence as authorized under section 1786 of this title or for the pursuit of a correspondence portion of a combination correspondence-residence course leading to a vocational objective where the normal period of time required to complete such correspondence course or portion is less than 6 months. A certification as to the normal period of time required to complete the course must be made to the Administrator by the educational institution; or

(6) to any eligible veteran or person incarcerated in a Federal, State, or local [prison or jail] *penal institution for conviction of a felony* for any course (A) to the extent the tuition and fees of the veteran or person are paid under any Federal program (other than a program administered by the Administrator) or under any State or local program, or (B) for which there are no tuition and fees.

Notwithstanding the foregoing, the Administrator may, subject to such regulations as the Administrator shall prescribe, continue to pay allowances to eligible veterans and eligible persons enrolled in courses set forth in clause (1) or (2) of this subsection—

(A) during periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation, and such periods shall not be counted as absences for the purposes of clause (2);

(B) during periods between consecutive school terms where such veterans or persons transfer from one approved educational

institution to another approved educational institution for the purpose of enrolling in and pursuing a similar course at the second institution if the period between such consecutive terms does not exceed 30 days, but such periods shall be counted as absences for the purposes of clause (2); or

(C) during periods between a semester, term, or quarter where the educational institution certifies the enrollment of the eligible veteran or eligible person on an individual semester, term, or quarter basis if the interval between such periods does not exceed 1 full calendar month, but such periods shall be counted as absences for the purposes of clause (2).

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Subchapter II—Miscellaneous Provisions

* * * * * * *

§ 1788. Measurement of courses

(a) For the purposes of this chapter and chapters 34 and 35 of this title—

(1) an institutional trade of technical course offered on a clock-hour basis, not leading to a standard college degree, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with no more than two and one-half hours of rest periods and not more than 5 hours of supervised study per week allowed, but if such course is approved pursuant to section 1775(a)(1) of this title, then 22 hours per week of attendance, with no more than 2½ hours of rest period per week allowed and excluding supervised study, shall be considered full time;

(2) an institutional course offered on a clock-hour basis, not leading to a standard college degree, in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction and not more than 5 hours of supervised study (which may include customary intervals not to exceed ten minutes between hours of instruction) is required, but if such course is approved pursuant to section 1775(a)(1) of this title, then 18 hours per week net of instruction (excluding supervised study), which may include customary intervals not to exceed ten minutes between hours of instruction, shall be considered full time;

(3) an academic high school course requiring sixteen units for a full course shall be considered a full-time course when (A) a minimum of four units per year is required or (B) an individual is pursuing a program of education leading to an accredited high school diploma at a rate which, if continued, would result in receipt of such a diploma in four ordinary school years. For the purpose of subclause (A) of this clause, a unit is defined to be not less than one hundred and twenty sixty-minute hours or their equivalent of study in any subject in one academic year;

(4) an institutional undergraduate course offered by a college or university in residence on a standard quarter- or semester-hour basis shall be considered a full-time course when a minimum of fourteen semester hours per semester or the equivalent thereof

(including such hours for which no credit is granted but which are required to be taken to correct an educational deficiency and which the educational institution considers to be quarter or semester hours for other administrative purposes), for which credit is granted toward a standard college degree, is required, except that where such college or university certifies, upon the request of the Administrator, that (A) full-time tuition is charged to all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, or (B) all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, are considered to be pursuing a full-time course for other administrative purposes, then such an institutional undergraduate course offered by such college or university with such minimum number of such semester hours shall be considered a full-time course, but in the event such minimum number of semester hours is less than twelve semester hours or the equivalent thereof, then twelve semester hours or the equivalent thereof shall be considered a full-time course;

(5) a program of apprenticeship or a program of other on-job training shall be considered a full-time program when the eligible veteran or person is required to work the number of hours constituting the standard workweek of the training establishment, but a workweek of less than thirty hours shall not be considered to constitute full-time training unless a lesser number of hours has been established as the standard workweek for the particular establishment through bona fide collective bargaining; and

(6) an institutional course offered as part of a program of education not leading to a standard college degree under section 1691 (a) (2) of this title shall be considered a full-time course on the basis of measurement criteria provided in clause (2), (3), or (4) as determined by the educational institution.

Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. *For purposes of clauses (B) and (C) of the preceding sentence, the requirement of two hours of attendance per week for the laboratory portions of such courses, and the requirement of three hours of attendance per week for the shop portions of such courses, shall be considered to be satisfied even though the last hour of attendance in any class is fifty minutes in order to allow customary intervals between hours of instruction and even though customary rest periods are allowed.* In no event shall such course be considered a full-time course when less than twenty-two hours per week of attendance is required.

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§ 1790. Overcharges by educational institutions; discontinuance of allowances; examination of records; false or misleading statements

Overcharges by Educational Institutions

(a) * * *

Discontinuance of Allowances

(b)(1) The Administrator may discontinue the educational assistance allowance of any eligible veteran or eligible person if the Administrator finds that the program of education or any course in which the veteran or person is enrolled fails to meet any of the requirements of this chapter or chapter 34 or 35 of this title, or if the Administrator finds that the educational institution offering such program or course has violated any provision of this chapter or chapter 34 or 35, or fails to meet any of the requirements of such chapters.

(2) Any action by the Administrator under paragraph (1) of this subsection to discontinue (including to suspend) assistance provided to any eligible veteran or eligible person under this chapter or chapter 31, 32, 34, or 35 of this title shall be based upon evidence that the veteran or eligible person is not or was not entitled to such assistance. Whenever the Administrator so discontinues any such assistance, the Administrator shall concurrently provide written notice to such veteran or person of such discontinuance and that such veteran or person is entitled thereafter to a statement of the reasons for such action and an opportunity to be heard thereon.

(3) Notwithstanding the evidence required to discontinue educational assistance to an individual eligible veteran or eligible person under paragraph (2) of this subsection, the Administrator may discontinue such assistance to eligible veterans and eligible persons already enrolled, and may disapprove the enrollment of any eligible veteran or eligible person, in any course with respect to which the Administrator (A) finds (i) that the course fails to meet any of the approval requirements of this chapter, or (ii) that the educational institution offering the course has violated the recordkeeping or reporting requirements of this chapter or chapter 31, 32, 34, or 35 of this title, and (B) finds that the State approving agency and the educational institution offering the course have been advised of such violation and the institution has failed to take corrective action within a reasonable period of time (as determined by the Administrator) after such notification. Whenever the Administrator discontinues assistance under this paragraph, the Administrator shall give notice as required under paragraph (2) of this subsection.

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Subchapter III—Education Loans to Eligible Veterans and Eligible Persons

§ 1798. Eligibility for loan; amount and condition of loans; interest rate on loans

(a) * * *

* * * * * * *

(e)(1) Except as provided in paragraph (2) of this subsection, whenever the Administrator determines that a default has occurred on

any loan made under this subchapter, the Administrator shall declare an overpayment, and such overpayment shall be recovered from the veteran or person concerned in the same manner as any other debt due the United States.

(2) If a veteran or person who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's or person's liability on such loan by repaying the amount owed on such loan.

(3) The Administrator shall submit to the appropriate committees of the Congress not later than December 31 of each year a report on the current results of the continuing review required by subsection (g)(1) of this section to be made regarding the default experience with respect to loans made under this section and any steps being taken to reduce default rates on such loans. Such report shall include [in maximum feasible detail]—

(A) data regarding the cumulative default experience, and the default experience during the preceding fiscal year, with respect to such loans; *and*

[(B) data regarding the default experience and default rate at each educational institution (i) with respect to loans made under this section in connection with accelerated payments under section 1682A of this title, and (ii) with respect to other loans made under this section; and

[(C) comparisons of the collective default experience and default rates with respect to such loans at all such institutions to the default experience and default rates with respect to such loans at each such institution.]

(B) data regarding the default experience and default rate with respect to (i) loans made under this section in connection with accelerated payments under section 1682A of this title, and (ii) other loans made under this section.

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CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

Sec.

2001. Definitions.
2002. Purpose
2002A. Assistant Secretary of Labor for Veterans' Employment.
[2003. Assignment of veterans' employment representative.]
2003. State Directors for Veterans' Employment.
2003A. Disabled veterans' outreach program.
2004. Employees of local offices.
2005. Cooperation of Federal agencies.
2006. Estimate of funds for administration; authorization of appropriations.
2007. Administrative controls; annual report.
2008. Cooperation and coordination with the Veterans' Administration.
2009. Veterans' employment assistance program.
2010. Secretary of Labors' Committee on Veterans' Affairs.

§ 2001. Definitions

For the purposes of this chapter—

(1) The term "[special] disabled veteran" has the same meaning provided in section 2011(1) of this title.

(2) The term "veteran of the Vietnam era" has the same meaning provided in section 2011(2) of this title.

[(3) The term "disabled veteran" has the same meaning provided in section 2011(3) of this title.]

[(4)] (*3*) The term "eligible veteran" has the same meaning provided in section 2011 [(4)] (*3*) of this title.

[(5)] (*4*) The term "eligible person" means—

(A) the spouse of any person who died of a service-connected disability,

(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.

[(6)] (*5*) The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and may include, to the extent determined necessary and feasible, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas Islands and the Trust Territory of the Pacific Islands.

§ 2002. Purpose

The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons and that, to this end policies *and regulations* shall be promulgated and administered by an Assistant Secretary of Labor for Veterans' Employment, established by section 2002A of this title, through a Veterans' Employment Service within the Department of Labor, so as to provide such veterans and persons *priority in the provision of employment and training services and* the maximum of employment and training opportunities through existing programs, coordination and merger of programs and implementation of new programs.

§ 2002A. Assistant Secretary of Labor for Veterans' Employment

There is established within the Department of Labor an Assistant Secretary of Labor for Veterans' Employment, appointed by the President by and with the advice and consent of the Senate, who shall be the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out (1) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (2) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans. *The officials within the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans' Employment.*

[§ 2003. Assignment of veterans' employment representative

[The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the veterans' employment representative (and shall assign full-time clerical support to each such representative), and shall further assign to each State one assistant veterans' employment representative per each 250,000 veterans and eligible persons of the State veterans population, and such additional assistant veterans' employment representatives as the Secretary shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the veterans' employment representative to carry out effectively in that State the purposes of this chapter. Each veterans' employment representative and assistant veterans' employment representative shall be an eligible vetera who at the time of appointment shall have been a bona fide resident of the State for at least two years and who shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates. Each such veterans' employment representative and assistant veterans' employment representative shall be attached to the staff of the public employment service system in the State to which they have been assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the Secretary's veterans' and eligible persons' counseling and placement policies through the public employment service system and in cooperation with employment and training programs administered by the Secretary or by prime sponsors under the Comprehensive Employment and Training Act in the State. In cooperation with the public employment service system staff and the staffs of each such other program in the State, the veterans' employment representative and such representative's assistants shall—]

§ 2003. State Directors for Veterans' Employment

(a) The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the State Director for Veterans' Employment, and shall assign full-time clerical support to each such Director. The Secretary shall also assign to each State one Assistant Director for Veterans' Employment per each 250,000 veterans and eligible persons of the State veterans population and such additional Assistant Directors for Veterans' Employment as the Secretary shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the Veterans' Employment Director to carry out effectively in that State the purposes of this chapter. Full-time Federal clerical support personnel assigned to State Directors for Veterans' Employment shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b) Each State Director for Veterans' Employment and Assistant Director for Veterans' Employment (1) shall be an eligible veteran who at the time of appointment has been a bona fide resident of the State for at least two years, and (2) shall be appointed in accordance

with the provisions of title 5 governing appointments in the competitive service and paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title. If the Assistant Secretary determines that no qualified veteran who has been a bona fide resident of the State for at least two years is available at the time of an appointment under the preceding sentence, the Assistant Secretary may appoint any qualified eligible veteran.

(c) Each such Director for Veterans' Employment and Assistant Director for Veterans' Employment shall be attached to the public employment service system of the State to which they are assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the veterans' and eligible persons' counseling and placement policies of the Secretary through the public employment service system and in cooperation with other employment and training programs administered by the Secretary, by other Federal jobs training programs grantees in the State, or directly by the State.

(d) In cooperation with the public employment service system staff and the staffs of each such other program in the State, the Director for Veterans' Employment and such directors' assistants shall—

(1) be functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans and eligible persons in employment and job training programs;

(2) engage in job development and job advancement activities for eligible veterans and eligible persons, including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans and eligible persons with appropriate job and job training opportunities;

(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's or an eligible person's particular qualifications with an available job or on-job training or apprenticeship opportunity which is commensurate with those qualifications;

(4) promote the interest of employers and labor unions in employing eligible veterans and eligible persons and in conducting on-job training and apprenticeship programs for such veterans and persons;

(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans and eligible persons available for employment and training and to keeping eligible veterans and eligible persons advised of opportunities for employment and training;

[(6) promote the participation of veterans in Comprehensive Employment and Training Act programs and monitor the implementation and operation of Comprehensive Employment and Training Act programs to assure that eligible veterans, disabled

veterans, and veterans of the Vietnam era receive special consideration when required; and]

(6) be functionally responsible for the supervision of the participation of veterans in Federal and federally-funded employment and training programs and monitor the implementation and operation of such programs to assure that eligible veterans, veterans of the Vietnam era, disabled veterans, and eligible persons receive priority in the provision of services when such priority is required by law or regulation;

(7) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans and eligible persons[.]*;*

(8) supervise the listing of jobs and subsequent referrals of qualified veterans as required by section 2012 of this title;

(9) be responsible for the supervision of complaints of discrimination filed under section 2012 of this title to assure complaints are resolved in a timely fashion;

(10) cooperate with employers to identify disabled veterans who have completed or are taking training under chapter 31 of this title and who are in need of employment by working closely with Veterans' Administration officials in the Office of Vocational Rehabilitation and Counseling; and

(11) when requested, shall assist Federal and State agencies and private employers in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the disabled veterans' employability.

§ 2003A. Disabled veterans' outreach program

(a)(1) The Secretary of Labor shall make available to each State, directly or by grant or contract, such funds as may be necessary to support a disabled veterans' outreach program designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era.

(2) Funds provided to a State under this subsection shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in such State. Each such specialist shall be a veteran. Preference shall be given in the appointment of such specialists to disabled veterans of the Vietnam era. If the Secretary finds that a disabled veteran of the Vietnam era is not available for any such appointment, preference for such appointment shall be given to other disabled veterans. If the Secretary finds that no disabled veteran is available for such appointment, such appointment may be given to any veteran. Each such specialist shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State government of the State concerned.

(3) The Secretary shall also make available to the States such funds, in addition to those made available to carry out paragraphs (1) and (2) of this subsection, as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits.

(4) Specialists appointed pursuant to paragraph (2) of this subsection shall be in addition to and shall not supplant employees assigned

to local employment service offices pursuant to section 2004 of this title.

(5) Funds appropriated to make grants or otherwise provide assistance to States under this section shall be appropriated from general revenues and shall be specifically set forth in appropriation Acts. Funds made available to States under this section may only be used for the purposes of this section.

(6) The Secretary shall carry out his functions under this section through the Assistant Secretary of Labor for Veterans' Employment.

(b)(1) Pursuant to regulations prescribed by the Secretary of Labor, disabled veterans' outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for the provision of services in the following order:

(A) Services to disabled veterans of the Vietnam era who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title.

(B) Services to other disabled veterans.

(C) Services to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphasis set forth in chapter 42 of this title.

In the provision of services in accordance with this paragraph, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

(2) Not more than three-fourths of the disabled veterans' outreach program specialists in each State shall be stationed at local employment service offices in such State. *The Assistant Secretary, after consultation with the appropriate State directors assigned under section 2003 of this title, may grant waivers of the limitation in the preceding sentence.* Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 621A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined to be appropriate in accordance with regulations prescribed by the Secretary after consultation with the Administrator.

(c) Each disabled veterans' outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

(1) Development of job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

(2) Pursuant to regulations prescribed by the Secretary after consultation with the Administrator, promotion and development of apprenticeship and other on-job training positions pursuant to section 1787 of this title.

(3) The carrying out of outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency

and local employment service offices, and community-based organizations.

(4) Provision of appropriate assistance to community-based groups and organizations and [prime sponsors under the Comprehensive Employment and Training Act] *appropriate grantees under other Federal and federally-funded employment and training programs* in providing services to such veterans.

(5) Provision of appropriate assistance to local employment service office employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

(6) Consultation and coordination with other appropriate representatives of Federal, State, and local programs for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

(7) The carrying out of such other duties as will promote the development of entry-level and career job opportunties for such veterans.

(8) Development of outreach programs with the Veterans' Administration's vocational rehabilitation staff, with institutions of higher learning, non-degree granting institutions (including vocational and technical schools), and with employers to assure maximum assistance to disabled veterans enrolled in a program under chapter 31 of this title.

(d) Persons serving as staff in the disabled veterans outreach program conducted under title III of the Comprehensive Employment and Training Act on the date of enactment of this section shall be appointed as disabled veterans' outreach program specialists in the State in which such individual is so serving, unless the Secretary for good cause shown determines that such individual is not qualified for such appointment.

(e) The Secretary of Labor shall administer the program provided for by this section through the Assistant Secretary of Labor for Veterans' Employment. *The Assistant Secretary shall monitor the employment of disabled veterans' outreach program specialists to ensure that the provisions of subsection (a)(2) of this section with respect to the employment of such specialists are complied with.*

* * * * * * *

§ 2006. Estimate of funds for administration; authorization of appropriations

(a) The Secretary of Labor shall estimate the funds necessary for the proper and efficient administration of this chapter *and chapters 42 and 43 of this title.* Such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor. Estimated funds necessary for proper counseling, placement, and training services to eligible veterans and eligible persons provided by the various State public employment service agencies shall each be separately identified in the budgets of those agencies as approved by the Department of Labor. *These funds shall include amounts necessary to fund disabled veterans' outreach program specialists programs under section 2003A*

of this title and shall only be approved by the Assistant Secretary of Labor for Veterans' Employment if the level of funding proposed is in compliance with section 2003A of this title. Each budget submission with respect to such funds shall include a separate listing of the proposed number and specific locations for disabled veterans outreach program specialists appointed under section 2003A of this title.

* * * * * * *

(d) Any funds made available pursuant to subsections (b) and (c) of this section shall not be available for any purpose other than those specified in such subsections, except with the approval of the Secretary of Labor, *in consultation with the Assistant Secretary of Labor for Veterans' Employment*, based on a demonstrated lack of need for such funds for such purposes.

§ 2007. Administrative controls; annual report

(a) * * *

* * * * * * *

(c) The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, specification of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, [special disabled veterans,] *disabled veterans with disabilities rated at 30 percent or more*, and eligible persons who registered for assistance with the public employment service system and, of each of such categories, the number referred to jobs, the number placed in permanent jobs as defined by the Secretary, the number referred to and the number placed in employment and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service. The report shall include any determination by the Secretary under section 2004, 2006 or 2007 (a), of this title and a statement of the reasons for such determination. *The report shall also include a report on activities carried out under section 2003A of this title.*

* * * * * * *

§ 2009. Veterans' employment assistance program

(a)(1) The Congress determines that many veterans, particularly disabled and Vietnam era veterans, continue to experience employment problems and that it is necessary and appropriate to increase the opportunities for veterans to obtain employment, job training, counseling, and job placement services.

(2) The Secretary of Labor, through the Assistant Secretary of Labor for Veterans' Employment, shall establish and administer a national employment and training assistance program for the provision of such services to veterans through grants to qualified recipients as determined under this section.

(b)(1) Grants under subsection (a) of this section may be made to State agencies, to agencies of political subdivisions of any State, and to private, nonprofit organizations. Before making a grant to any such entity, the Secretary shall determine whether the entity can effectively provide services described in subsection (a) of this section through such a grant, taking into consideration—

(A) the experience of the entity involved with employment and job training problems of veterans;

(B) the familiarity of the applicant with the community where the applicant will provide services to veterans under the program; and

(C) the capability of the applicant to administer effectively a comprehensive employment and training program for veterans.

(2) Before a grant may be made to any entity that the Secretary has determined to be a qualified recipient of such a grant, the entity shall submit an application for the grant to the Secretary. Each such applicant shall be submitted in such form and manner and shall contain such information as the Secretary may require.

(c)(1) In order to make maximum use of existing programs, the Secretary shall encourage recipients of grants under this section to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and organized labor in addition to cooperative arrangements with other Federal and State employment and job training programs to provide such services.

(2) The Secretary shall ensure that maximum effectiveness and efficiency are achieved in providing the services described in subsection (a) of this section by coordinating, in consultation with the Administrator, the administration of the program established under this section with the administration of other employment and job training programs, vocational rehabilitation programs, and readjustment counseling programs administered under this title. The Secretary shall give particular emphasis to coordinating the administration of this section with the administration of section 612A of this title by the Administrator.

(d)(1) Programs of on-the-job training for which grants are made under this section shall be designed so as to achieve maximum coordination with programs for which benefits are authorized under section 1787 of this title.

(2) Employability development programs for which grants are made under this section shall be designed in coordination and cooperation with Veterans' Administration programs of readjustment counseling under section 612A of this title and with veterans assistance offices established pursuant to section 242 of this title.

(3) Because State Employment Services have responsibility for other veterans job placement programs and activities, including the disabled veterans outreach program under section 2003A of this title and the local veterans employment representatives program under section 2004 of this title, job placement programs for which grants are made under this section shall be designed in each State in coordination and cooperation with the State Employment Service for that State.

(4) Grants may be made under this section for demonstration programs in cooperation with the Department of Defense and the Veterans' Administration to provide to members of the Armed Forces preseparation counseling concerning opportunities in the civilian labor market and preseparation job search assistance for members who decline to reenlist in the Armed Forces.

(e) The Secretary shall approve or disapprove any application for a grant under this section within 90 days after the receipt of the application for such grant.

(f) The Secretary may, either directly or by way of grant, contract, or cooperative agreement, furnish such technical assistance and conduct such research and development projects as the Secretary considers necessary to establish and carry out the program described in subsection (a) of this section.

(g) Regulations prescribed to carry out this section shall include provisions establishing proper fiscal controls, accountability, and program performance of grant recipients under this section. To determine the effectiveness of the program authorized by this section, such regulations shall require that each recipient of a grant under this section, as a condition of receiving such grant, agree to submit a report to the Assistant Secretary for each year for which the recipient receives funds under such grant. Each such report shall include, as determined by the Secretary, the following information with respect to the previous year:

(1) The number of eligible veterans requesting assistance from the grant recipient.

(2) The number of eligible veterans referred to job interviews by the grant recipient.

(3) The number of eligible veterans referred to job interviews by the grant recipient who completed job interviews.

(4) The number of eligible veterans placed in jobs to which they had been referred by the grant recipient.

(5) The number of eligible veterans counseled by the grant recipient after being placed in jobs to which they had been referred by the grant recipient.

(6) The number of eligible veterans placed in permanent jobs to which they had been referred by the grant recipient.

(7) Such additional information as may be required by the Secretary or provided by the grant recipient.

(h) Not later than January 1 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the operation of the program established under this section during the preceding fiscal year. Each such report shall include an evaluation of the effectiveness of the program in carrying out the purposes of this section during the fiscal year, the efficiency with which services were provided under the program during the fiscal year, and such recommendations for further legislative action relating to veterans' employment as the Secretary considers appropriate.

§ 2010. Secretary of Labor's Committee on Veterans' Affairs

(a) There is established within the Department of Labor an advisory committee to be known as the "Secretary's Committee on Veterans Affairs". The members of the Committee shall serve without compensation or other reimbursement.

(b) The Committee shall be chaired by the Secretary of Labor. The Assistant Secretary of Labor for Veterans' Employment shall serve as vice chairman of the Committee. The Committee shall include—

(1) representatives of—

(A) the Secretary of Health and Human Services;

(B) the Administrator;

(C) the Director of the Office of Personnel Management;

(D) the Chairman of the Equal Employment Opportunity Commission; and

(E) the Administrator of the Small Business Administration;

(2) a representative of each of the chartered veterans' organizations having a national employment program; and

(3) such other members as may be appointed by the Secretary after consultation with the Assistant Secretary for Veterans' Employment.

(c) The Committee shall meet at least quarterly for the purpose of bringing to the attention of the Secretary problems and issues relating to veterans' employment.

CHAPTER 42—EMPLOYMENT AND TRAINING OF DISABLED AND VIETNAM ERA VETERANS

* * * * * * *

§ 2011. Definitions

As used in this chapter—

(1) The term "[special] disabled veteran" means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration [for a disability rated at 30 percent or more], [or] (B) a person who was discharged or released from active duty because of service-connected disability, *or (C) a person who but for receipt of military retired pay would be eligible to receive compensation.*

(2)(A) Subject to subparagraph (B) of this paragraph, the term "veteran of the Vietnam era" means an eligible veteran any part of whose active military, naval, or air service was during the Vietnam era.

(B) No veteran may be considered to be a veteran of the Vietnam era under this paragraph after December 31, 1991.

[(3) The term "disabled veteran" means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (B) a person who was discharged or released from active duty because of a service-connected disability.]

[(4)](*3*) The term "eligible veteran" means a person who (A) served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge, or (B) was discharged or released from active duty because of a service-connected disability.

[(5)](*4*) The term "department or agency" means any agency of the Federal Government or the District of Columbia, including any Executive agency as defined in section 105 of title 5 *and the United States Postal Service and Postal Rate Commission.*

§ 2012. Veterans' employment emphasis under Federal contracts

(a) Any contract in the amount of $10,000 or more entered into by any department or agency for the procurement of personal property and non-personal services (including construction) for the United States, shall contain a provision requiring that the party contracting with the United States shall take affirmative action to employ and advance in employment qualified [special] disabled veterans and veterans of the Vietnam era. The provisions of this section shall apply to any subcontract entered into by a prime contractor in carrying out any contract for the procurement of personal property and non-personal services (including construction) for the United States. In addition to

requiring affirmative action to employ such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the President shall implement the provisions of this section by promulgating regulations which shall require that (1) each such contractor undertake in such contract to list immediately with the appropriate local employment service office all of its suitable employment openings, and (2) each such local office shall give such veterans priority in referral to such employment openings.

(b) If any [special] disabled veteran or veteran of the Vietnam era believes any contractor of the United States has failed to comply or refuses to comply with the provisions of the contractor's contract relating to the employment of veterans, the veteran may file a complaint with the Secretary of Labor, who shall promptly investigate such complaint and take appropriate action in accordance with the terms of the contract and applicable laws and regulations.

(c) The Secretary shall include as part of the annual report required by section 2007(c) of this title the number of complaints filed pursuant to subsection (b) of this section, the actions taken thereon and the resolutions thereof. Such report shall also include the number of contractors listing suitable employment openings, the nature, types, and number of positions listed and the number of veterans receiving priority pursuant to subsection (a)(2) of this section.

(d) Each contractor to whom subsection (a) of this section applies shall report at least quarterly on the total number of new hires of such contractor and the number of such hires who are Vietnam era veterans, disabled veterans, and other eligible veterans. Each such report shall be filed with the State Veterans' Employment Director provided for in section 2003 of this title.

* * * * * * *

§ 2014. Employment within the Federal Government

(a) * * *

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(c)(*1*) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of the Rehabilitation Act of 1973 (29 U.S.C. 791(b)), a separate specification of plans (in accordance with regulations which the Office of Personnel Management shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

(2) Any veteran who believes that information concerning opportunities to participate in a competitive civil service examination was not made available to the employment offices of the United States Employment Service as required by section 3327 of title 5 and that such veteran was thereby denied an opportunity to participate in such examination may file a complaint with the Office of Personnel Management, which shall promptly investigate the complaint.

(d) The Office of Personnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Office shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) of this section. [Each report under the preceding sentence shall] *Each such report shall include the number of employment openings listed pursuant to section 3327 of title 5, together with the number of veterans referred to such openings and the number actually receiving jobs, and the number of complaints filed under subsection (c) (2) of this section, and the disposition of such complaints, and shall also* include in the specification of the use and extent of appointments made under subsection (b) of this section the following information (shown for all veterans and separately for veterans described in subsection (b) (1) (C) of this section and other veterans):

(1) The number of appointments made under such subsection since the last such report and the grade levels in which such appointments were made.

(2) The number of individuals receiving appointments under such subsection whose appointments were converted to career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into each such category.

* * * * * * *

(g) To further the policy stated in subsection (a) of this section, the Administrator may give preference to qualified [special disabled veterans] *disabled veterans with disabilities rated at 30 percent or more* and qualified veterans of the Vietnam era for employment in the Veterans' Administration as veterans' benefits counselors and veterans' claims examiners and in positions to provide the outreach services required under section 241 of this title, to serve as veterans' representatives at certain educational institutions as provided in section 243 of this title, or to provide readjustment counseling under section 612A of this title to veterans of the Vietnam era.

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PART IV—GENERAL ADMINISTRATIVE PROVISIONS

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CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS

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§ 3102. Waiver of recovery of claims by the United States

(a) There shall be no recovery of payments or overpayments or interest thereon of any benefits under any of the laws administered by

the Veterans' Administration whenever the Administrator determines that recovery would be against equity and good conscience, if an application for relief is made within [two years] *180 days* from the date of notification of the indebtedness by the Administrator to the payee.

* * * * * * *

SECTION 6 OF PUBLIC LAW 90–83

[SEC. 6. (a) The Secretary of Labor shall act on any application for an Exemplary Rehabilitation Certificate received under this section from any person who was discharged or dismissed under conditions other than honorable, or who received a general discharge, at least three years before the date of receipt of such application.

[(b) In the case of any person discharged or dismissed from an armed force under conditions other than honorable before or after the enactment of this section, the Secretary of Labor may consider an application for, and issue to that person, an Exemplary Rehabilitation Certificate dated as of the date of issuance, if it is established to his satisfaction that such person has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was so discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years. The Secretary of Labor shall supply to the Secretary of Defense a copy of each Exemplary Rehabilitation Certificate which is issued, and the Secretary of Defense shall place it in the military personnel record of the individual to whom the certificate is issued.

[(c) For the purposes of subsection (b), oral and written evidence, or both, may be used, including—

[(1) a notarized statement from the chief law enforcement officer of the town, city, or county in which the applicant resides, attesting to his general reputation so far as police and court records are concerned;

[(2) a notarized statement from his employer, if employed giving the employer's address, and attesting to the applicant's general reputation and employment record;

[(3) notarized statements from not less than five persons, attesting that they have personally known him for at least three years as a person of good reputation and exemplary conduct, and the extent of personal contact they have had with him; and

[(4) such independent investigations as the Secretary of Labor may make

Any person making application under this section may appear in person or by counsel before the Secretary of Labor.

[(d) No benefits under any laws of the United States (including but not limited to those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) shall accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (b) unless he would be entitled to those benefits under his original discharge or dismissal.

[(e) The Secretary of Labor shall require that the national system of public employment offices established under the Act of June 6, 1933, chapter 49, as amended (29 U.S.C. 49 et seq.), accord to any person who has been discharged or dismissed under conditions other than honorable but who has been issued an Exemplary Rehabilitation Certificate special counseling and job development assistance.

[(f) The Secretary of Labor shall report to Congress not later than January 15 of each year the number of cases reviewed by him under this section and the number of Exemplary Rehabilitation Certificates issued.

[(g) In carrying out the provisions of this section the Secretary of Labor is authorized to (1) issue regulations; (2) delegate his authority; (3) utilize the services of the Civil Service Commission for making such investigations as may be mutually agreeable.]

SECTION 408 OF THE VETERANS' EDUCATION AND EMPLOYMENT ASSISTANCE ACT OF 1976

SEC. 408. (a) (1) No individual on active duty in the Armed Forces may initially enroll in the educational assistance program provided for in chapter 32 of title 38, United States Code (as added by section 404 of this Act) after [December 31, 1981] *March 30, 1983* unless—

(A) before [June 1, 1981.] *January 15, 1983*, the President submits to both Houses of Congress a written recommendation that such program continue to be open for new enrollments; and

(B) before the close of the 60-day period after the day on which the President submits to Congress the recommendation described in subparagraph (A), neither the House of Representatives nor the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution which in substance disapproves such recommendation.

(2) For purposes of computing the 60-day period referred to in paragraph (1) (B), there shall be excluded—

(A) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

(B) any Saturday and Sunday, not excluded under the preceding subparagraph, when either House is not in session.

The recommendation referred to in paragraph (1) (A) shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(b) If new enrollments after December 31, 1981, in the educational assistance program provided for in such chapter 32 are authorized after the application of the provisions of subsection (a), then effective January 1, 1982, section 1622(b) of title 38, United States Code, is amended by striking out "Veterans' Administration" and inserting in lieu thereof "Department of Defense."

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